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ABSTRACT

A study examined the structure of the food and beverages sector of Luxembourg, the continuing vocational training opportunities available, future training requirements, and the issues arising. It found that the food/beverages sector was relatively small and a traditional source of employment that was maintaining its craft character but developing and moving toward more sophisticated production processes in certain areas. The sector employed some 3,300 people, 1.5 percent of the total work force. It had no specific employment legislation and no legal requirement to provide continuing vocational training. The sector was characterized by a large number of small- and medium-sized companies. A certain number of companies were restructuring and introducing new technology which altered requirements for training and levels of qualification of employees. The apprenticeship system was in decline. Two companies were involved in the case studies: Brasserie Nationale and Centralfood S.A.R.L. Case studies described the company, its structure, marketing, labor market, and training practices. The structural differences within the sector meant that the organizational aspects of continuing vocational training have been fragmented. Since continuing training in the specific area of food technology and manufacture did not exist in the national context, companies sought training courses in other countries. (Appendixes include a 21-item bibliography, statistical data, and collective bargaining agreements.) (YLB)

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FORCE
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European Commission

LUXEMBOURG
REPORT

FOOD AND BEVERAGES SECTOR

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FOOD AND BEVERAGES SECTOR

TRAINING IN THE FOOD AND BEVERAGES SECTOR IN LUXEMBOURG

REPORT FOR THE FORCE PROGRAMME

drawn up by
Jacqueline M. Spence

1993

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FORCE

Formation continue en Europe
Commission of the European Communities
TASK FORCE
Human Resources, Education, Training and Youth
Rue de la Loi, 200; B-1049 Bruxelles

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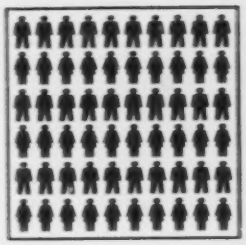
PART 1:

SECTORAL CONTEXT



1. Introduction
2. Definition and scope of the sector
3. Structure and characteristics of the sector
4. Business environment and social context
5. The labour market
6. Training and recruitment
7. Future training requirements
8. Summary

1. INTRODUCTION

This report presents the findings of the second sector survey conducted in the framework of the European Commission FORCE Programme for vocational training.

Part I of the study describes the structure of the food and beverages sector in Luxembourg and examines the continuing vocational training opportunities currently available. It goes on to describe future training requirements and the issues arising.

Part II of the report presents the case studies carried out in the sector in companies which have been identified as having exemplary training practices.

Part III, the final section, presents the conclusions drawn from the sector study and the findings from the case studies and the recommendations concerning training in the food and beverages sector.

2. DEFINITION AND SCOPE OF THE SECTOR

1.

The definition of the sector for the study was given as all groups and classes under Division 15 of NACE (Official Journal 24.10.90.) of the European Classification of Industries, "Manufacture of food products and beverages". STATEC (The Central Statistical Service for Economic Studies) has not yet completed its work on conversion from the old NACE classification. The data collected for the study is, therefore, according to divisions 41 and 42 of the old NACE classification.

The study includes all areas of food and beverages production but excludes tobacco products and manufacturing at farms and retail establishments. Food manufacture was deemed to be central to the company for it to qualify.

According to the classification used by STATEC the division "production of food and beverages" includes tobacco and tobacco products, thus most of the published statistics include this activity. In Luxembourg there is one company manufacturing in this sector employing approximately 320 people.

Wherever possible statistics provided in this report will exclude the manufacture of tobacco and tobacco products. The full STATEC classification is given in Appendix 3.

It should be noted that for the meat sector the NACE classification (412) excludes butchers' shops, "boucherie-charcuterie" as these are classified in the retail sector. It also excludes some establishments producing alcohol which are classified as agricultural establishments.

The study has drawn heavily for its statistical data from the various publications of the Central Statistical Service for Economic Studies. In addition, data from the professional chambers and the Ministry of Education has been included to complement certain sections.

3. STRUCTURE AND CHARACTERISTICS OF THE SECTOR

3.1 The economic context

A brief overview of the Luxembourg economy for 1991, as analyzed by the Government Statistical Service, is given below:

In summary, the following observations were made:

- Growth of the GDP by 3.7% despite the international situation.
- Weak situation in the steel industry for the second year running with a decline in value of 3.4%.
- Services continuing to increase: 5.6%.
- Employment steadily increasing: 4.3%.
- Inflation running at 3.1%.

This generally positive outlook experienced a slow-down in 1992 as Luxembourg was affected by the prevailing unfavourable international situation. Forecasts for the key economic indicators to the end of 1992 and for early 1993 are more pessimistic (complete figures for the year were not available at the time of writing).

Tables and graphs showing the development of these key indicators are shown in Appendix 3.

3.2 The development of agriculture and viniculture

To provide an analysis of the food and beverages sector in Luxembourg it is necessary to provide some background data on the agricultural sector upon which it is so closely dependent. Luxembourg's agricultural production accounts for approximately 2.5% of the gross national product, accounting for some LFR 7 billion. Approximately 9,700 people (5% of the total workforce) are directly employed in the sector and a total of 17,000 people depend directly on the agricultural sector.

As in all Member States, the sector has been undergoing a period of restructuring in preparation for the advent of the Single Market in 1993. This restructuring, combined with particularly unfavourable weather conditions in 1991, led STATEC to describe 1991 as a black year for the agricultural sector:

- catastrophic situation for the vine and fruit;
- a net reduction in both animal and cereal production;
- collapse of the beef market and a decline in the price of milk;
- agricultural income fell by 25.9% despite state intervention;
- decline in value added of agriculture by an estimated 10%.

As can be seen, the year 1990/91 was a disastrous year for Luxembourg farmers, due in part to appalling weather conditions: early frosts destroyed the fruit blossom and damaged the vines and the virtual lack of rainfall in August and September affected almost all areas. According to the Ministry of Agriculture and Viticulture the total agricultural production fell by 10.1% in volume and 17.8% in terms of value.

The following table gives the figures for agricultural production in 1989, 1990 and 1991 (Table 1).

3.3 The economic structure of the food and beverages sector

The food and beverages sector is one of the traditional industries in Luxembourg. Currently it employs some 3,300 people, 1.5% of the total workforce. The structure of the sector is complex and it is often difficult to differentiate precisely between the overlapping activities of companies operating in the sector, this is particularly true for the catering sector. Statistics for this report have been collected from a number of sources which are referred to in the text and bibliography as appropriate.

In 1989 the whole sector, including tobacco, accounted for LFR 12,099 million or 4.4% of total industrial turnover. In the following table, the development of the sector can be compared to total industrial production since 1970 (Table 2).

Overall 1991 saw a growth in production of 3.2% over the previous year but figures for the first nine months of 1992 show a downturn with a percentage variation of – 3.5%. Turnover in the food sector fell during 1991 registering a change of – 3.4%. However, the figures for the first three quarters of 1992 increased slightly by 0.09%. The beverages and tobacco sector has maintained a steady increase with 7.5% in 1991 and a high of 8% to October 1992.

The provisional figures for total wages in the sector in 1991 amounted to LFR 2,900 million. There has been a steady increase in the five years up to 1991; the percentage variation in the food sector in 1991 against the previous year was 9.7%. A slow-down to 4.1% for the first three quarters of 1992 is indicated. Figures for the beverages and tobacco sector in the same periods were 8.1% and 6.6%. As indicated in the following table salaries alone showed a slower rate of growth.

The number of salaried employees in the food sector fell by 2.4% whilst the beverages and tobacco sector increased by 2.3% despite local and international competition. Finally, the sector continued to maintain investment in modernisation and the increase of production capacity.

3.4 The main sectors of the food and beverages industry (Table 3)

In 1990 there were 293 companies in the food and beverages sector in Luxembourg, of these only three employed more than 200 people: one in the industrial baking sector, one in milk production and one in the preparation of meat

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Table 1 – Production in the agricultural sector – Units: LFR million

Production	1989	1990	1991	Variation 1990/1991 (in %)		
				Quantity	Price	Value
Production – Cereal:- Wheat	181.6	193.0	176.9	-5.5	3.0	8.3
– rye	10.6	9.2	9.4	6.5	-4.1	2.2
– barley	187.5	169.0	165.2	2.1	-4.3	2.3
– oats and summer cereals	28.9	17.6	22.8	25.1	3.5	29.5
– triticale	15.3	23.9	24.8	5.3	-1.4	3.4
– potatoes	100.1	100.6	75.9	-26.2	2.2	-24.6
– rapeseed	64.9	78.8	83.9	25.0	-14.8	6.5
– oher	28.7	28.0	27.4	1.4	-3.5	2.1
Production – horticultural						
– fresh vegetables	70.9	96.0	63.4	-55.1	47.1	-34.0
– fresh fruit	56.0	56.6	38.6	-77.4	201.8	-31.8
– grape must	919.4	690.5	414.4	-43.3	5.8	-40.0
Total crop production	1,663.9	1,463.2	1,102.7	-27.1	3.5	-24.6
Animals:						
– beef	2,031.7	2,003.3	1,518.7	-9.4	-16.4	-24.2
– pork	642.9	686.6	664.8	0.6	-3.8	-3.2
– poultry	3.3	2.7	2.7	0.0	0.0	0.0
– other	20.7	22.3	21.3	-3.6	-0.9	-4.5
Animal products						
– milk	3,853.7	3,951.2	3,364.1	-6.3	-9.2	-14.9
– eggs	68.4	68.7	67.5	-1.8	0.0	-1.8
Total animal production	6,620.7	6,734.8	6,741.8	-6.4	-10.5	-16.3
Total production	8,284.6	8,198.0	6,741.8	-10.1	-8.4	-17.8

Source: Service d'économie rurale

Table 2 – Increase of turnover in the food and beverages sector compared to total industrial turnover – Unit: LFR millions

NACE	Branch	1970	1980	1985	1986	1987	1988	1989
1 to 5	• All sectors	62,264	138,791	237,376	233,389	236,377	259,890	274,685
4	• Other manufacturing sectors	12,855	29,142	56,109	57,356	58,606	62,215	65,271
41 to 42	• Food, beverages and tobacco products	5,368	10,342	17,773	18,558	18,747	19,310	19,561
411 to 423	• Food production	3,082	7,574	11,301	11,913	11,876	12,384	12,099
412	• – slaughter and preparation of meat products	402	1,797	2,174	2,204	2,141	2,133	2,425
419	• – bakeries	759	1,860	2,699	2,873	2,829	2,838	2,835
424 to 429	• Beverages and tobacco	2,289	2,768	6,472	6,645	6,871	6,926	7,462
427	• Breweries	680	1,366	2,093	2,002	1,994	1,897	1,678

Source: STATEC

products and the production of ice cream in a joint venture partnership (Table 4).

As can be seen, the bakeries/patisseries employ a significant number of people, 41% of the total, many of whom work in small companies although there are two or three larger companies employing larger numbers, e.g. Scheer & Arens which employs 115 people. Nevertheless, this sector remains largely a craft sector.

The following listing provides a detailed breakdown of the type and number of companies operating in each product area (the numbers in parentheses indicate the number of companies)[1]:

1. *Cereals*
   - the manufacture of animal feed
   - milling and manufacture of flour (5)
   - manufacture of pasta (10)
   - industrial bakeries (4)
   - bakeries and patisseries (183)
   - patisserie and confectionery (49)

[1] As established by the all party working group on the state of the food and beverages industry in 1989.

Table 3 – Changes in the annual indices in the industrial sector 1985–1992[1] – Percentage variation from the previous year

	1988	1989	1990	1991	1992[2]
Volume of hours (hours worked)					
All sectors[3]	1.2	2.1	0.9	0.2	0.5
Food sector[4]	-4.7	5.4	6.3	1.7	-6.4
Beverages, tobacco sector[5]	-2.9	-2.0	4.4	2.5	2.4
Turnover					
All sectors	10.2	14.6	-0.1	1.3	7.8
Food sector	3.3	4.7	7.4	-3.4	0.9
Beverages, tobacco sector	1.5	7.1	3.7	7.5	8.0
Salaries/wages					
All sectors	5.6	7.4	7.0	7.2	7.8
Food sector	–	7.7	10.1	9.7	4.1
Beverages, tobacco sector	0.5	4.3	9.6	8.1	6.6
Salaried employment					
All sectors	0.3	2.6	1.3	1.6	2.5
Food sector	-4.6	3.8	5.0	1.1	-2.4
Beverages, tobacco sector	-2.1	-0.1	2.6	3.1	2.3

[1] Source: STATEC
[2] Average January–October 1992
[3] NACE 1–4 (221–222) excluding steel
[4] NACE (411–423)
[5] NACE (424–429)

Table 4

Sector	No. of companies	No. of employees	Employees/ company
Bakery, patisserie, confectionery	232	1,352	6
Meat[1]	6	444	74
Dairy	6	358	60
Brewing	6	311	52
Viniculture	9	134	15
Mineral water/ lemonade	4	125	31
Milling/flour	5	96	19
Pasta manufacture	10	58	6
Other	11	31	3

[1] excluding retail outlets

2. *Milk*
   - preparation of milk and dried milk, butter, cheese and other milk products (6)

3. *Meat*
   - meat preparation (6)

4. *Viticulture*
   - industrial production (6) (one cooperative and five companies)
   - production of table wine
   - production of sparkling wines (3)

5. *Breweries*
   - beer brewing (6)

6. *Distilleries*
   - distillation of eaux-de-vies (5)
   - production of other spirits including aperitifs which have a non-wine base (2)

7. *Mineral water*
   - preparation and bottling (2)

8. *Manufacture of lemonade and sparkling water* (2)

9. *Fruit and vegetables – preparation, canning, bottling of fruit and vegetables* (2)

10. *Manufacture of condiments and vinegar* (1)

11. *Manufacture of tea and coffee* (1)

In addition, there are 24 catering companies which are often involved in food preparation.

3.4.1 The cereal sector

Cereals account for approximately 7% of Luxembourg's agricultural production. Production is essentially related to the livestock market and much of the production is consumed directly by this sector. In the past the quality of the wheat grown was poor but in recent years new varieties have been developed. This has meant that the mills have been able to use more home produced wheat for flour production. An effort is also being made to increase home grown barley production for the brewing industry.

The milling industry has increased its competitive edge through restructuring and the introduction of new technology. As a result it has been able to increase its exports to Germany in particular. There has also been cooperation at international level with Luxembourg companies establishing links with companies from other Member States.

Three industrial companies produce pasta and in addition, in 1989, there were five small compa-

nies producing speciality pasta products. There were three industrial bakeries and approximately 183 individual bakeries.

The sector is aware of the significant developments being made in the area of frozen dough products, which is particularly important for the large industrial bakeries if they are to remain competitive.

3.4.2 Milk and milk products

The dairy sector, as the cornerstone of Luxembourg agriculture, accounted for LFR 3.4 billion in 1991, 587 million less than the preceding year.

This sector is particularly affected by EC policies in the CAP (e.g. milk quotas), which have had a direct effect on the structures of local companies. The problems are complex and relate to the restructuring of the milk market. One of the main Luxembourg companies, Ekabe, has been sold to a French company, Lactel, which has at least reduced the uncertainty regarding employment which has been prevalent in the sector recently. The remaining Luxembourg company, Luxlait, has taken a new direction, disassociating itself from the Centrale Paysanne. It produces milk and milk-based products such as its quality "Rose" brand butter and uses Centralmarketing for 80% of its distribution.

The sector has acquired modern technology which ensures quality products and the capacity exists for all milk production to be carried out in Luxembourg rather than being sent abroad.

The Centrale Paysanne, an organization representing the agricultural sector, is at present building an ice cream factor in the Grand Duchy. Ownership will be 50% Centrale Paysanne Group (Centralfood) and 50% Eskimo Europe. Production is due on line early in 1993.

3.4.3 Meat production

Meat production plays an important role in Luxembourg agriculture, accounting for 36.8% of agricultural production, excluding viniculture; 28% is beef and 8.6% pork. The country has a beef surplus but is only able to provide 40% of the national pork requirement.

The total beef production is approximately 50,000 animals per year, of these nearly half were exported to foreign slaughter houses. There is a similar trend in the pork market. This is of concern to those companies working in the slaughter and meat products production sectors. Experts in the area consider it essential that the whole production process from livestock through preparation to retail sales should be considered in its entirety if this sector is to succeed.

There are currently five abattoirs: four cooperatives and one controlled by the Centrale Paysanne. Only one, that belonging to the Central Paysanne, actually forms part of a company which processes meat and meat products. In addition there are four industrial companies which butcher and process locally produced meat.

If the volume remains too low there is a risk that the high capital investment in equipment required in the sector will not be amortized in an acceptable time thus making the sector even less competitive with its neighbours. The decrease in the number of cattle slaughtered in the country is regarded as an alarm signal for the whole meat production industry.

3.4.4 Wine production

Luxembourg produces approximately 150,000 hl of wine per year and wine production is a vital economic activity for the country's Moselle region. The sector directly employs some 630 people and a significant number in secondary services.

The Moselle region has approximately 930 production units and the total value of Luxembourg wine production is estimated to be in the region of LFR 550 million.

70% of the harvest is processed by a cooperative, the remainder is processed by five industrial companies and 75 private growers. Over the years the Luxembourg wine sector has tended to concentrate on the production of quality wines as a result of which the sector has been able to escape the problems caused by over-production of table wines which has affected the Community as a whole. The following table shows the development of wine production of the past decade and provides an analysis of wine by type (Table 5).

Sparking wine production has grown significantly over the years and holds a firm position in the market. In addition, one Luxembourg producer has been accorded the right to produce "cremant" for certain sparkling wines. Indications are that demand is rapidly exceeding supply in this area.

3.4.5 Brewing

There are six breweries in Luxembourg employing more than 300 people and producing approximately 700,000 hl of beer per annum. Approximately 39% of the production is for export and the amount exported varies from company to company.

Despite the fact that a significant proportion is destined for export, Luxembourg producers have difficulty in penetrating the markets of neighbouring Member States. In France this has been attributed to the lack of publicity and brand awareness whilst in Germany the market remains very loyal to home produced beers. It is interesting to note that five out of the six master brewers working in Luxembourg are German.

Table 5 – The development of the production of wine by volume and type

Year	Area		Wine yield								
					By wine type						
	In production	Not in production	Total	Per ha	Elbling	Rivaner	Auxerrois	Pinot gris	Pinot blanc	Riesling	Gewürztraminer and others
	ha				hl						
1938	965	260	94,000	97	...	...	...	...	...	...	...
1950	1,110	115	215,000	194	...	...	...	...	...	...	...
1960	1,140	90	133,000	117	58,000	46,400	9,000	1,800	1,600	15,000	1,200
1970	1,136	70	242,000	123	110,260	100,280	12,280	1,810	1,650	14,000	1,720
1975	1,098	168	157,100	143	49,620	78,610	12,020	1,950	3,910	9,500	1,490
1980	1,150	133	50,139	44	19,172	18,944	5,091	1,151	2,550	3,154	77
1981	1,144	169	96,847	85	26,407	43,600	8,837	2,557	4,140	10,660	646
1982	1,138	171	256,462	225	77,922	105,182	29,303	7,288	12,624	21,460	2,683
1983	1,155	151	184,533	160	48,124	88,896	19,419	5,407	8,735	12,785	1,167
1984	1,160	174	152,250	131	38,482	77,943	14,254	3,827	6,398	10,576	770
1985	1,163	159	107,000	92	31,570	38,883	13,811	3,775	5,975	11,928	1,058
1986	1,163	155	159,660	137	39,224	75,660	15,041	5,707	8,823	13,958	1,247
1987	1,196	130	142,643	119	26,576	73,015	14,587	6,904	9,456	11,030	1,075
1988	1,199	147	142,830	119	34,061	68,766	13,684	5,462	6,550	13,397	910
1989	1,288	63	232,051	189	59,351	105,724	21,773	0,262	12,000	21,654	1,737
1990	1,314	67	151,120	116	27,866	75,921	17,004	7,265	8,749	13,207	1,108

Source: Institut Viti – vinicole de l'Etat

3.4.6 Distilleries

In 1987 there were approximately 20 farm distilleries processing cereals and a further 300 producing fruit-based eaux-de-vies.

The total production of both alcohol and eaux-de-vie is 150,000 to 160,000 litres of pure alcohol per annum. Approximately 22,000 litres are exported but the major part is sold on the local market. The future of these agricultural distilleries will depend upon the changes in taxation that may be dictated by the Single Market. At present low local taxes have encouraged sales both on the home market and to tourists and people from neighbouring countries.

3.4.7 Manufacture of lemonade and sparkling water

Two companies operate in this sector; one holds the franchise for the production and distribution of Coca-Cola and the local sparkling water "Rosport", the other also manufactures and bottles mineral water, lemonade and sparkling water.

In the past companies have felt a certain amount of frustration due to the differing standards in Member States which has made the export of local products difficult. It is hoped that with the advent of the Single Market some of these restrictive practices will disappear and export will thus become easier.

3.4.8 Fruit and vegetables

This sector is concentrated across the Member States with large production units in the major horticultural production areas. In Luxembourg the sector is focused on a seasonal cottage industry producing sauerkraut for the local market.

3.4.9 Other activities

There are a few cottage industries producing vinegar and condiments and there is also a company involved in tea and coffee production.

4. BUSINESS ENVIRONMENT AND SOCIAL CONTEXT

4.1 The social structure

Luxembourg has an exceptionally large immigrant population who, over the years, have been integrated into the national economy. The Italian community can trace its establishment in Luxembourg back to 1892 but the major influx has occurred since 1945. With the founding of the European Coal and Steel Community in 1952 Luxembourg found itself host both to migrant workers for its growing steel industry and to civil servants in the newly established European Community institutions. Subsequent economic growth and development in specific sectors, such as banking, has attracted more foreign workers.

In 1960 15.6% of the working population was not Luxembourgian; by 1981 this figure had increased to 30% and in 1991 approximately half of all salaried staff were foreigners.

Current demographic trends show that the ageing Luxembourgian working population will not be fully replaced by native Luxembourgers in the near future. Luxembourg shares this phenomenon with many other EC Member States – a low birth rate accompanied by increased life expectancy – which has serious implications for the future size and composition of the workforce and, naturally, for future training requirements.

Until mid 1992 the resident working population was 166,900. In addition, Luxembourg calls upon the services of a further 43,900 trans-border workers, who thus comprise nearly 22% of the total workforce of 201,300.

After a period of dynamic expansion of 4.8% in employment between 1990 and 1991 the situation slowed down in 1992 to an increase of 1.8%. The growth of trans-border workers has, however, continued and increased by 11.2% in the period 1991–1992. The unemployment rate for the same period was recorded as 1.4% but it is predicted that this will rise to 1.8% by the end of 1992. Unemployment is, nevertheless, low and the economy is drawing in a high number of workers from neighbouring countries.

The following table gives the trends in employment over recent years (Table 6).

4.2 The legal framework

The food and beverages sector does not have any specific employment legislation. The general legislative measures which apply to all employees, such as health and safety, social protection and minimum wages apply to the sector.

Normal working hours are eight hours per day and 40 hours per week. There is one interesting exception which concerns working hours in the catering sector. Some companies have retained their classification as "restaurants" although this is no longer their main activity and they are primarily involved in commercial food preparation. In these cases the working week is extended from 40 to 48 hours which tends to reduce the average earnings for those concerned.

The minimum guaranteed wage in Luxembourg is currently approximately LFR 38,000 per month. For skilled workers the wage at 1 November 1991 was LFR 44,183 for workers without dependents and higher for those with families. This is higher than in Belgium, with a minimum wage of LFR 32,000 but is approximately the same as the German minimum wage. However, taxes and social charges are lower in the Grand Duchy which has the effect of attracting trans-border workers in to an already labour hungry market.

Table 6 – Employment and the working population

Specification	1988	1989	1990	1991	1991 July	1992 July	Variation in %
1. Internal employment	174.9	181.3	189.1	197.3	198.1	201.3	1.6
– salaried	156.9	163.5	171.4	179.6	180.4	183.6	1.8
– non-salaried	18.0	17.8	17.7	17.7	17.7	17.7	0.0
2. Foreign workers total (a-b-c)	15.7	19.5	24.4	29.6	30.1	34.4	14.3
a. foreign trans-border workers working in Luxembourg	24.3	28.6	33.7	38.9	39.5	43.9	11.2
b. Luxembourg trans-border workers working abroad	0.5	0.5	0.5	0.5	0.5	0.5	0.0
c. civil servants and agents of international organizations	8.1	8.6	8.8	8.8	8.9	9.0	1.1
3. National employment 1–2	159.2	161.8	164.7	167.7	168.0	166.9	–0.7
4. Unemployed	2.5	2.3	2.1	2.3	2.1	2.4	17.5
5. Working population	161.7	164.1	166.8	170.0	170.1	169.6	–0.4
6. Unemployment rate (in %) (4) + (5)	1.5	1.4	1.4	1.3	1.4	1.2	18.0

Source: STATEC: Note de conjoncture 3.92

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In addition to these general provisions specific conditions are frequently regulated in the framework of collective agreements.

There are currently 12 collective agreements covering approximately 1,350 workers in the sector. These agreements cover all those working in the brewing sector (the details of this agreement are discussed in Case Study No. 1 on the Brasserie Nationale) and a large proportion of those employed permanently in the wine sector (seasonal workers are excluded). The two major milling companies have agreements as does Luxlait in the milk sector and Soutirage (Coca-Cola) in the beverages sector. The Agrocentre Mersch (including Centralfood) also has a collective agreement for its workers.

These agreements regulate wage and salary levels for different groups of workers, specify pay for overtime, weekend work, holiday entitlement and various fringe benefits awarded to the group of workers concerned. According to EUROSTAT the average gross earnings of workers in the food sector, set by collective agreement, are LFR 83,630 per month or LFR 269 per hour. Copies of two such agreements are provided in the appendix to this report.

Remuneration for apprentices varies between LFR 10,000 and 17,000 in the first year, between LFR 13,000 and 18,000 in the second year and between LFR 19,000 and 21,000 in the third year. In the fourth year, or after the practical examination, pay received is identical in all sectors; in January 1991 it was increased to LFR 28,403.

In addition, an apprenticeship bonus, set at LFR 1,500 per month, is given to all apprentices who have successfully completed a year of their apprenticeship.

4.3 The professional institutions

There are six professional institutions operating in Luxembourg, three for the employers:

- the Chamber of Commerce
- the Chamber of Trade
- the Chamber of Agriculture

and for the workers/employees:

- the Chamber of Work (Chambre de Travail)
- the Chamber of Private Employees
- the Chamber of Public Employees

The Chambers play an important role in vocational training as they have statutory obligations with regard to training, the details of which will be discussed in the section on vocational training.

4.4 The social partners

There are a number of federations representing different branches of the sector:

The Fédération des Artisans (Federation of Craftsmen) brings together representatives from a wide range of occupations and includes representatives from the individual national federations.

The General Assembly includes representatives from the butchers, millers, bread/pastry/cake makers, confectioners and caterers. The associations which come together under this umbrella organization include:

- Fédération Nationale des Patrons Bouchers-Charcutiers
- Fédération des Patrons Boulangers-Pâtissiers
- Section des Jeunes Boulangers-Pâtissiers
- Fédération des Patrons Meuniers
- Association des Patrons Pâtissiers-Confiseurs et Glaciers
- Fédération de Maîtres Traiteurs – Association des Jeunes Bouchers-Charcutiers
- Chaîne "Specialités" des Bouchers Luxembourgeois
- Union Interprofessionnelle du Commerce et de la Fabrication de Produits Agricole et Alimentaires (INTERPROF)
- Union Internationale de la Pâtisserie, Confiserie, Glacerie (UIPCG)

In addition to the Federation of Craftsmen, the Fédération des Industriels Luxembourgeois (FEDIL) is the professional association which represents Luxembourg industry. FEDIL covers nearly all small-, medium- and large-size industries in the Grand Duchy, some 320 companies as well as 11 professional associations are currently members.

There are two main unions representing employees/workers in the sector; the OGBL (Confederation Syndicale Indépendente du Luxembourg – Confederation of Independent Luxembourg Unions) and the LCGB (Christian Union). In addition a smaller group is represented by the FEP-FIT et Cadres (Federation of Private Employees).

It is difficult to establish the level of unionization in the sector due to the very fragmented nature of the industry. The problem is compounded by the large number of foreign and trans-border workers employed.

Apart from the above organizations, mention should also be made of the Centrale Paysanne, a detailed description of which can be found in Case Study No. 2 on Centralfood which is part of the Centrale Paysanne Group.

The Centrale Paysanne has its origins in the agricultural sector and was created initially as an organization to help market the produce of local farmers. For example, in 1950 it regrouped 150 dairies to form the now well-known Luxlait. It manages a large grain silo for its members, operates one of the national abattoirs and meat

production plants and is currently involved in a joint project to build an ice cream factory.

During the 1970s the Centrale Paysanne played an important role representing the farming community, in recent years there has been a fragmentation in the movement and in 1987 the government created the Chambre d'Agriculture (Chamber of Agriculture). The Centrale Paysanne has a majority in the Chamber but other interest groups, e.g. the Gräie Lëtzebuerger Baureverband, hold approximately 40% of the seats.

4.5 Continuing vocational training

There is no legal requirement at present to provide continuing vocational training in the food and beverages sector although certain interviewees believed that it was likely that legislation would be introduced in the foreseeable future.

The collective agreements, mentioned above, all contain concrete rules concerning working conditions but they do not specifically provide for continuing vocational training.

Training leave (congé de formation) is generally granted to union representatives. This training leave permits representatives to participate in various training activities without loss of earnings. The training courses are organized by the Ecole Supérieur du Travail, the Luxembourg Office for Increased Productivity and other training institutions (Law of 18 May 1979).

Thus, continuing vocational training is essentially based upon individual agreements between employers and employees. There is no legal obligation to provide training but, as will be seen from the case studies, considerable training opportunities are available for certain highly skilled groups.

The view of all the partners was that continuing vocational training is a vital element if the future success of the Luxembourg food and beverages sector is to be ensured. This position was underlined in a report prepared on the sector for publication in 1993. Representatives from all sides unanimously supported this point of view.

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5. THE LABOUR MARKET

1.

5.1 Distribution of the workforce by sector

In the overall statistics provided by STATEC, the total internal salaried workforce in Luxembourg comprised in 1986 some 146,590 people of which 3,250 (2.17%) worked in the food, beverages and tobacco sector. In 1991 the figures were 179,590 and 3,300 (1.85%).

The following table shows how stable the employment situation has been over the last six years (Table 7).

5.2 The development of the workforce in the food and beverages sector

Whilst overall statistics indicate a stability in the numbers working in the sector in the period 1985–1992, detailed analysis shows that there are considerable variations between the different branches. Milk and dairy products show the greatest reduction – 18% – in the number of workers. Most other branches recorded an increase in the number of people working. The largest increase, 79%, was in the production of mineral water while the abattoirs and meat preparation services saw an increase of 30%. Table 8 shows the development by branch for the period 1985–1992.

5.3 Profile of the workforce

There is a considerable variation concerning the number of people working within the different branches of the sector. Data provided by the Ministry of Social Security indicates that each branch has a markedly different profile.

The male/female ratio

On average there are two men working in the sector for every woman; 64% to 36% at present, a figure which has changed only slightly since 1985; 66% to 34%. An analysis within the different branches, however, reveals some interesting variations. Men account for 94% of the workforce in mineral water/lemonade production, 89% in the brewing sector and 86% in grain preparation. Findings from the case studies suggest that any women employed in these branches are likely to be employed in administration rather than in the production process. Women were much more likely to work in the bakery, biscuit and pasta manufacturing companies.

Age

The workers in the sector are comparatively young with 60% being under 35 but again there are variations according to branch. Brewing, milk/dairy products and grain production generally have an older workforce than the bakeries, mineral water plants and the abattoirs/meat processing plants.

Nationality

42% of the workforce are of Luxembourg nationality, 19% French, 18% Portuguese, 6.5% German, 5.6% Belgian and 4.3% Italian.

In the brewing sector there is considerable reliance on German expertise, all but one of the master brewers working in Luxembourg are German, the rest of the workforce tends to be Luxembourgian.

The wine sector has a significant number of Portuguese workers on the permanent payroll and, in addition, depends on seasonal labour for the harvest. In 1992 a number of Polish workers were employed. Data on the nationality of trans-border workers is not available.

Table 9 provides a clear illustration of the overall profile of the workforce in 1992.

5.4 Characteristics of the trade sector

In attempting to analyze the longer term structural changes in the food and beverages sector we have turned to detailed data provided by the Chamber of Trade.

An analysis of the statistics provided by the Chamber of Trade provides a more detailed profile of the workforce but it should be underlined only for those areas considered to be within its competence, i.e. bakeries, cake, pastry and confectionery production, milling, butchery and catering, the last two categories not falling within the sector definition.

The Chamber estimates that in 1971 there were 857 companies operating in the sector, by 1990 the figure had fallen to 519. Conversely, the number of workers recorded in 1971 was 1,668 and by 1990 the figure had risen to 2,763. Thus, while there has been a steady increase in employment over the past 20 years there has been a parallel rationalization in the number of companies. This is reflected in the decline in the number of small companies in the period; in 1970

Table 7

	Total workforce[1]	Food/beverages/tobacco
1986	146,590	3,250
1987	151,450	3,330
1988	156,920	3,131
1989	163,510	3,270
1990	171,390	3,330
1991	179,570	3,330
Percentage variation	4.8%	0.0%

[1] Internal salaried workforce (Source: STATEC)

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Table 8 – Development of the workforce 1985–1992

	1985	1986	1987	1988	1989	1990	1991	1992
Abattoirs/meat production	405	458	448	431	432	444	493	528
Milk and dairy production	436	438	445	430	426	378	389	356
Grain production	103	100	103	95	92	96	94	93
Pasta	48	47	48	58	58	58	53	54
Bakeries/biscuits	1,208	1,269	1,316	1,334	1,277	1,352	1,350	1,362
Other foods	25	28	29	25	22	23	23	19
Alcohol	11	5	6	7	7	7	6	4
Wine/champagne	107	111	122	123	127	134	135	132
Brewing	361	340	333	317	312	311	312	312
Mineral water/lemonade	78	82	90	96	106	125	132	140
Total	2,845	2,878	2,940	2,916	2,859	2,933	2,991	3,005

Table 9 – Profile of the labour force in the food and drink industry by sector 1992

	Total	Men	Women	Under 35	Over 35
Abattoirs/meat production	528	63%	37%	60%	40%
Milk and dairy production	356	80%	20%	42%	58%
Grain production	93	86%	14%	43%	57%
Pasta	54	44%	56%	63%	37%
Bakeries/biscuits	1,362	50%	50%	71%	29%
Other foods	19	42%	58%	58%	42%
Alcohol	4	25%	75%	25%	75%
Wine/champagne	132	69%	31%	46%	54%
Brewing	312	89%	11%	36%	64%
Mineral water/lemonade	140	94%	6%	67%	33%
Total	3,005	64%	36%	60%	40%

Figure 1 – Profile of the labour force – Analyzed by nationality

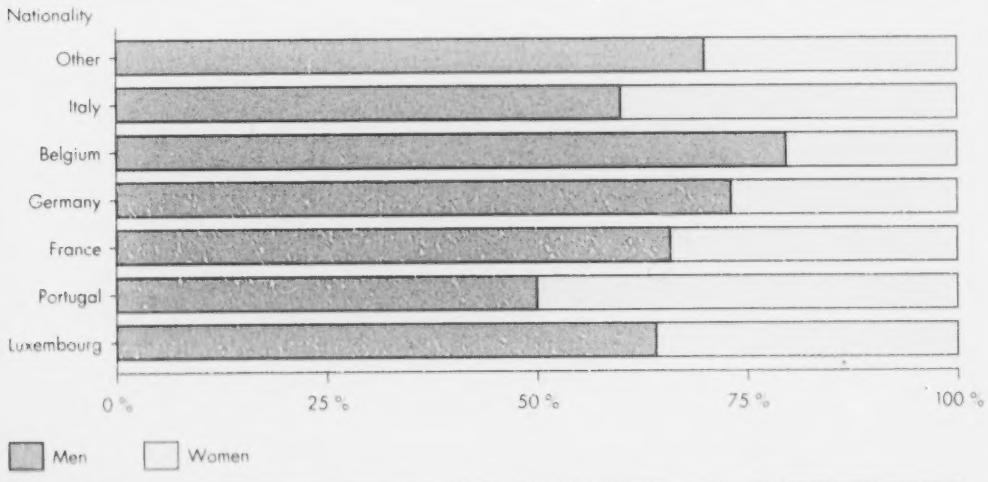

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Figure 2 – Profile of the labour force – Analyzed by age

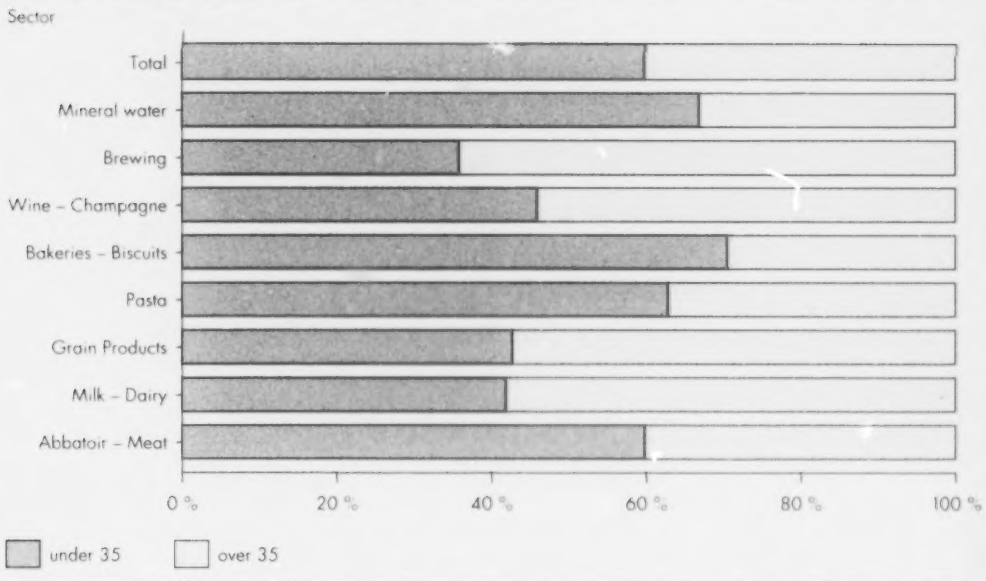
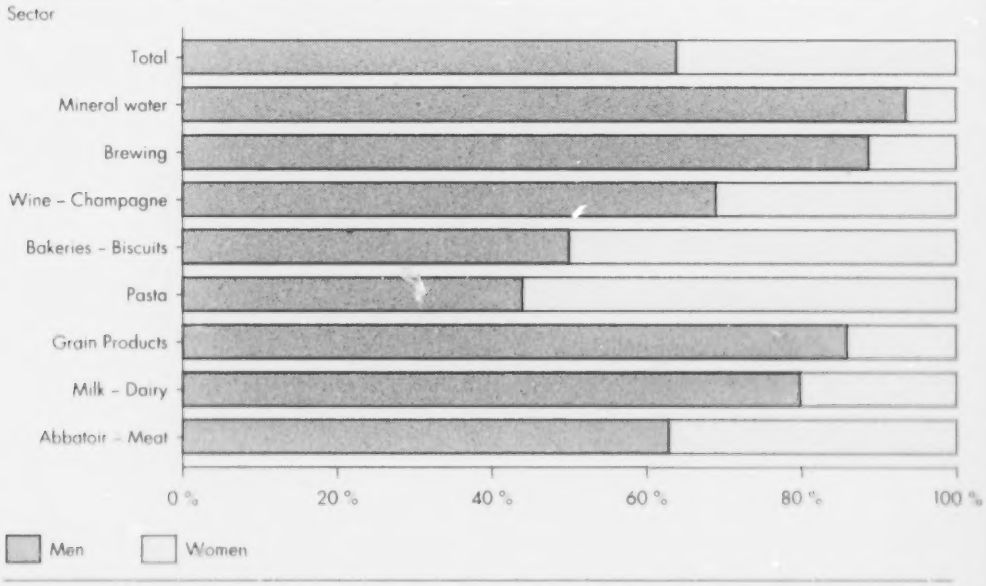


Figure 3 – Profile of the labour force – Analyzed by gender



there were 468 small companies employing between one and four people, by 1990 this figure had dropped to 214.

A detailed breakdown of the structure of companies in the sector is given in the statistical appendix.

The composition of the workforce shows that the average age of the head of a company has increased. In 1971 26% were under the age of 40, by 1990 this figure was only 19%.

The profile of the workforce shows two significant changes, firstly the number of women has increased. In 1971 61% of the workforce were men and 39% women, by 1990 this had changed to 54% men and 46% women.

An even greater change has been observed in the number of foreign workers in the sector. In 1971

61% of the workforce were Luxembourgers compared to 39% foreign workers, by 1990 this figure had almost completely reversed; 36% Luxembourgers compared to 64% foreign workers.

Analysis by nationality suggests that a significant proportion of these are trans-border workers; 22% French, 20% Belgian as neither of these groups form a significant immigrant group. A detailed breakdown is given in the appendix.

5.5 General conditions of employment

In overall terms the sector is not regarded in Luxembourg as one of the most attractive areas of employment but, as observed earlier, this general view masks differences within the various branches.

Generally the brewing sector is well regarded, it pays well (higher than average), it has maintained good industrial relations with a tradition of collective agreements going back over 50 years. A copy of the current agreement can be found in the appendix. The smaller, but growing, soft drink branch is also seen as relatively attractive.

A number of collective agreements have been concluded in the sector but there still remains a significant proportion for which no such agreement exists, this is particularly the case in small bakeries. These workers are covered by the existing national legislation on minimum wages and social security. At the present time the minimum wage is LFR 38,000 or a minimum of LFR 218 per hour. Holiday entitlement is a basic 26 days per annum. Since the war Luxembourg also has an index-linked wage system.

Pay in unskilled jobs remains low, those with qualifications can expect better levels of remuneration; indeed a shortage of certain skills ensures both employment and reasonable rates of pay, for example someone with a Brevet de Maîtrise (advanced training certificate) can expect to earn between LFR 120,000 and 160,000 per month.

Managers complain of the lack of technically skilled employees, the fast moving technological changes in food processing and the beverages sector make this a continuous problem in recruitment. The case studies illustrate possible solutions to this shortage. The unions for their part underline the shortage of well qualified local managers which results in companies recruiting non-Luxembourgers to some of these posts.

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6. TRAINING AND RECRUITMENT

1.

6.1 A brief overview of the Luxembourg education system

Formal education in the Grand Duchy is compulsory from the age of 4 until the age of 15. Since September 1992 all children are obliged to enter pre-primary education at the age of 4.

The primary cycle begins at the age of 6 and, in principle, consists of six years. The secondary cycle commences at the age of 12 and lasts, at least, until the age of 15 which is the end of compulsory education. There are, therefore, 9 nine years of compulsory primary and secondary education.

The following diagram outlines the general structure (Figure 4).

6.2 The secondary cycle

Secondary education may be divided into two main branches, general secondary education and technical secondary education. A third category, the "complementary classes", are available for the 12 to 15 age group. These classes are designed for those pupils who have not managed to pass the entrance examination to the secondary cycle. Recent legislation has made provision for these pupils to be absorbed into the technical sector and, at the present time, a pilot project is in operation.

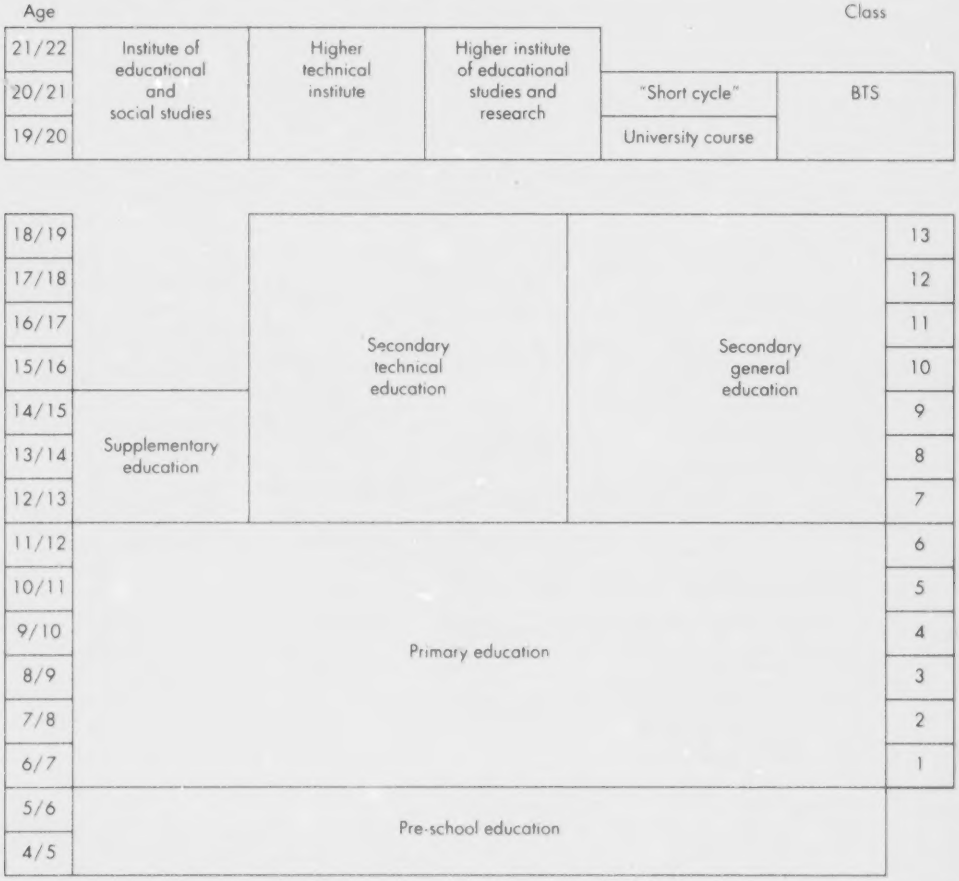
The professional chambers have a statutory role in vocational education and apprenticeships, this was first recognized under Article 38 of the Law of 4 April 1924. Subsequent legislation in 1929, 1945 and, more recently, in 1979 all contributed to the full recognition of their role in developing vocational and technical education in the Grand Duchy.

6.2.1 General secondary education

The secondary cycle is divided into two parts:

- the lower cycle of 3 years (12–15 years)
- the upper cycle consisting of 4 years divided into
  2 years general education (15–17 years)
  2 years specialization (17–19 years)

Figure 4 – Simplified table of the educational system in Luxembourg



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Admission to this type of education is by examination at 12 years and if the cycle is completed the pupil sits the examination for the "diplôme de fin d'études secondaires"[2], which enables the holder to enter tertiary education either in Luxembourg or abroad.

6.2.2 Technical secondary education

The main alternative to the general education stream is the technical stream for which admission is, again, by examination at the age of 12. The overall structure is shown in the following diagram (Figure 5).

As with general education the technical stream has a lower cycle of three years duration which offers a core programme combined with the foundations of technical and vocational orientation. At the end of this cycle, if the pupil wishes to continue in full-time education he/she will proceed to the intermediate and upper cycles.

The intermediate and upper cycles

In these cycles the pupil undertakes specific vocational or technical training leading to the CATP, the Diplôme de Technicien or the Diplôme de fin d'études secondaires techniques[3].

This cycle offers three possible sections:
- vocational section
- technician section
- technical section

1. *The vocational section*

The vocational section comprises seven main areas:
- arts and crafts
- commerce
- industry
- tourism, hotels and catering
- domestic science
- agriculture
- ancillary medicine

The pupils are offered four possible alternatives:

a. Training in the "régime professionnelle" (vocational system), 2 years of full-time study followed by one practical year.
b. Two years in full-time study and one year training in a company together with some classes in school.
c. One year full-time study followed by two years training in a company together with some classes in school.
d. Three years in a company together with classes in school.

In general the programme lasts for three years at the end of which the CATP diploma is awarded.

The CATP is recognized by the EC within the framework of the EC system of equivalences (EC Council Decision 85/368/ of July 1985 (Official Journal No. L. 199, 31.07.1985)).

Within the structure of the general reform of secondary education a modification to the above formula is being introduced in accordance with Article 12 of the Law of 04.09.1990. In recognition of the fact that some pupils have more difficulty with the theoretical aspects of learning, a two-level programme is being introduced. The pupil will normally hold an apprenticeship and will, in parallel, follow the theoretical part of the programme at his/her own speed using a series of modules which will permit a flexible learning programme.

This programme will last from between two to four years and will lead to the CITP[4]. It is anticipated that once a pupil has attained this level he/she will continue to study for the CATP.

An alternative qualification exists, the CCM[5] which is a more practical qualification and is scheduled to be incorporated into the new CITP course.

At the present time qualifications in the following occupations in the food and beverages sector are registered by CEDEFOP as being recognized in the Luxembourg vocational stream:

- miller (meunier)
- baker-confectioner (boulanger-pâtissier)
- pâtissier-confiseur
- confectionery assistant (agent de fabrication de chocolats et confiseries)
- abattoir operative (abatteur)
- butcher (boucher/charcutier)
- brewery operative (brasseur)

There has been a significant fall in the numbers of pupils undertaking this type of training in the past ten years.

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[2] Diplôme de fin d'études secondaires – Baccalauréat = school leaving certificate

[3] CATP – Certificat d'aptitude technique et professionnelle = certificate of technical and vocational aptitude
Diplôme de Technicien = technicians diploma
Diplôme de fin d'études secondaires techniques = school leaving technical certificate

[4] CITP – Certificat d'initiation technique et professionnelle = Initial technical and vocational diploma

[5] CCM – Certificat de capacité manuelle = Certificate of manual skills

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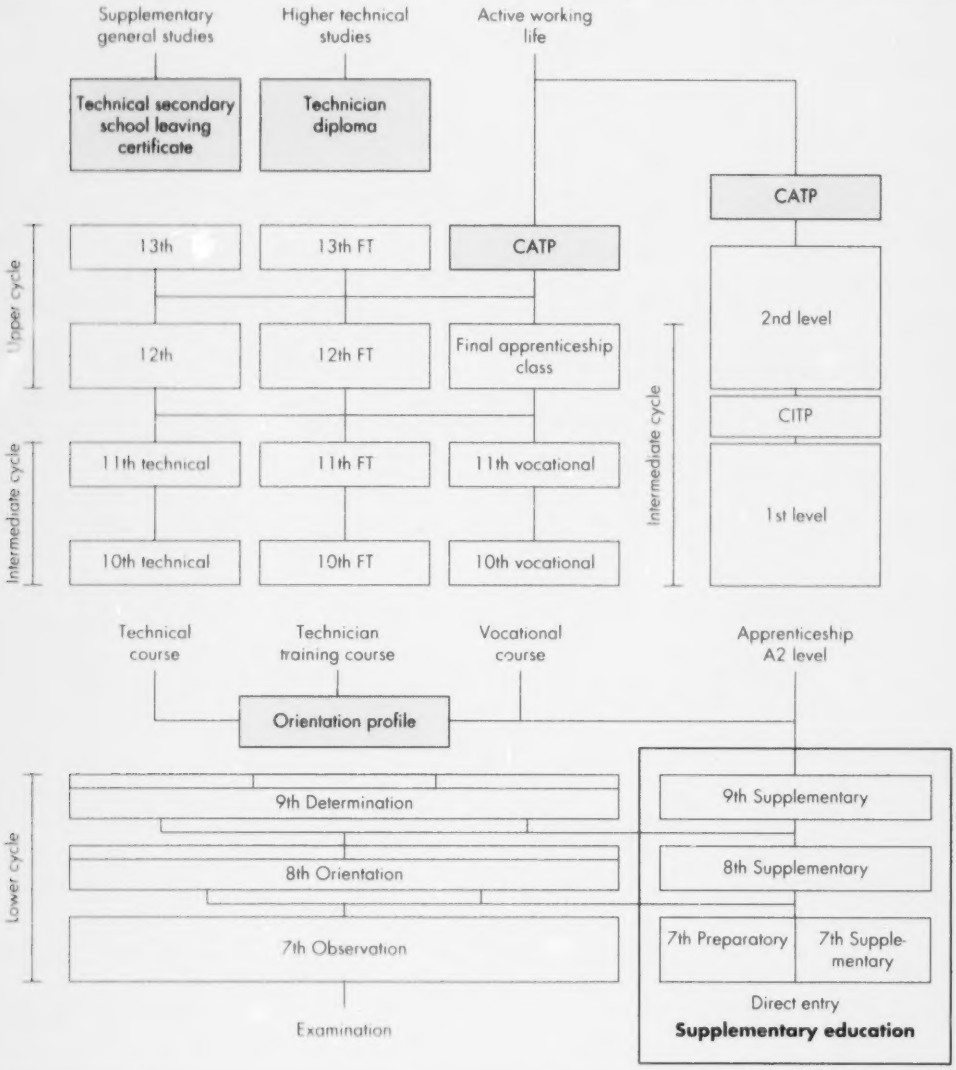
Figure 5 – Technical secondary education



The overall number of pupils applying for apprenticeships has continued to fall; from approximately 3,700 new contracts per annum ten years ago to only 2,188 at present (see graph below). The number of girls following apprenticeships is particularly low.

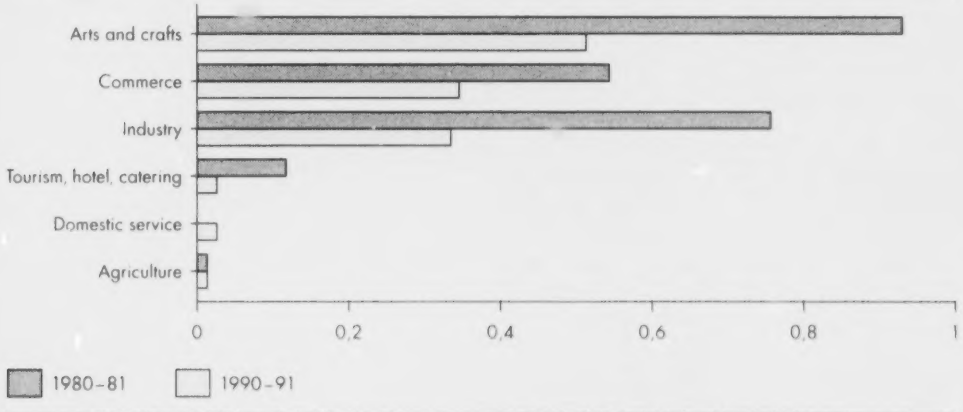
The number of apprentices in the food sector in 1982 was 200, by 1990 this figure had fallen to 105. At the end of 1990 only 33 students had completed their end of apprenticeship examinations (CATP, CCM) successfully, a pass rate of 71%. Examinations leading to a Masters Certificate (Maîtrise) were taken by 23 students in the food sector.

2. *Technician training*

This type of training falls between the vocational sector (CATP) and the technical sector. It covers four years and is designed to train young people for highly skilled jobs in industry. On successful completion of the 13th class pupils are awarded the "Diplôme de technicien" (technician's diploma) which enables them to enter the labour market or continue tertiary education in their field.

The areas included are:
- administration and finance
- agriculture
- electronics
- mechanics
- arts and crafts

Figure 6 – Development of pupil numbers in initial vocational training – CATP – Between 1980–81 & 1990–91



- biology
- chemistry
- building and science
- hotels, catering and tourism

3. *The technical section*

This section comprises four years study leading to the Diplôme de fin d'études secondaires techniques (school leaving technical certificate) and, in general, enables the holder to enter tertiary education.

The main specializations are:
- administration, commerce and business management
- agriculture
- fine arts
- hotels, catering and tourism
- ancillary medical and social studies
- general technology

6.3 Continuing vocational training

The Ministry of Education is responsible for the adult vocational training service. This can be divided into two areas:

- continuing vocational training and
- adult training

A third category may be added, that of continuing vocational training not organized by the Ministry.

The Vocational Training Service was set up under the legislation of 4 September 1990 and is responsible for all activities affecting the occupational field (and thus to all activities leading to a diploma or certificate) and all forms of continuing training. The legislation concerning the training of staff representatives was passed in 1979.

The aims of the continuing vocational training programme are:
- to help people who already have a vocational qualification to adapt to technological changes and to the needs of the economy;
- to offer those in employment and the unemployed the opportunity to prepare for technical certificates and diplomas;
- to build on practical training provided by companies.

This training may be provided by the Ministries of Education and Labour, the professional chambers, local authorities or private organizations.

A coordinating committee has the task of proposing to the Minister ways of organizing continuing vocational training. This committee includes the Director of Vocational Training, representatives from the Ministries of the Middle Classes, Agriculture and Viticulture, Health and the Interior together with representatives from the professional chambers and head teachers from the technical high schools.

Apart from the training offered by the Ministry of Education, training may be undertaken in a number of different contexts:

1. *Training within the company*

Only the larger companies in the sector have a formal training programme but most companies are likely to participate in training on an ad hoc basis. There may be in-house training in the form of seminars, group discussions, training films, etc.

2. *Professional chambers and OLAP*

The Chamber of Commerce, the Chamber of Trade and the Chamber for Private Employees all offer continuing training courses in areas of interest to the sector.

The Chamber of Commerce and the Chamber for Private Employees generally offer courses directed at clerical and administrative employees; the use of information technology, data base management, computer programming, personnel management, tax laws, accounting, commercial correspondence have been offered recently. They will also organize courses on request if there are a sufficient number of participants.

The Chamber of Trade offers a variety of courses ranging from cake decoration, bread preparation, seasonal packaging to the preparation of savoury pastries and meat preparation. The general opinion is that the craft sector provides sound continuing vocational training for the food and beverages sector but much less specific training was available in the craft sector.

The Luxembourg Office for Increased Productivity (OLAP) also offers courses which may be relevant to the sector.

Details of the courses offered in the national context and used by companies in the sector are described in full in the case studies.

3. *Courses provided by suppliers*

With the increased use of technologically sophisticated machinery and plants, the suppliers often offer training to the company as part of their sales package, this may take place on site or at training establishments elsewhere.

4. *Trade fairs*

Trade fairs, whilst not providing specific training themselves, permit the staff involved to acquaint themselves with the latest developments in their fields and to learn about about possible training opportunities. Both companies in the case studies placed high value on trade fairs as sources of information.

5. *Professional associations*

Membership of a professional association, locally or internationally, provides a valuable source of information on courses available in a specific field. In the food industry, participation in international competitions provides yet another source of information and contacts for arranging staff exchanges, etc.

6. *Specialist training abroad*

Some companies, including both those in the case studies, make use of highly specialized training which is only available abroad. Centralfood, for example, has arranged for the head of its new ice cream plant to receive training in Switzerland, Scandinavia and the USA. The Brasserie Nationale sponsors training for its employees in Germany.

The round table established by the government which brought together all interested parties in the sector to discuss the prospects for 1993 was unanimous in its view that the social dialogue between employers and employees was critical for the industry and that training was a cornerstone if the challenges and opportunities of 1993 were to be met.

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7. FUTURE TRAINING REQUIREMENTS

At present there is no legal obligation for companies to offer continuing vocational training to their employees and the state makes no financial contribution to companies running their own schemes; vocational training has no structural basis. The state makes a limited contribution to training offered by the professional bodies, the Luxembourg Office for Increased Productivity and other public bodies.

As a result of this much depends on individual managers and in the case of small companies the lack of flexibility in staffing makes it difficult to ensure regular participation. Nevertheless, there are, as indicated, a number of initiatives which if not providing a systematic programme are at least responding to the more immediate needs of the sector. The programmes of the two companies studied are good examples of these individual initiatives.

All those interviewed felt there was a continuous need for training. At school level there is a need for the education system to respond to the requirements of industry. The school system is currently being reformed and logically this reform will be extended to the field of vocational training. The speed of technological change has made it difficult for schools to keep up but, as the round table suggested, more specialization at CATP level would help. However, it was felt by some that initial vocational training provided a good basis for continuing training and offered some guarantee of standards of achievement.

Luxembourg finds it difficult to provide its own nationals for highly specialized jobs and, as a result, an increasing number of these posts are being filled by foreigners. Innovative schemes are being developed to train local personnel (see Case Study No. 1) but more needs to be done if the sector is to expand.

At the lower end of the spectrum many of the workers are foreign, trans-border workers and female, requiring new methods of training adapted to this multi-cultural and multi-lingual environment.

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8. SUMMARY

1.

8.1 The heterogeneous nature of the sector

From the studies it is evident that one cannot talk in global terms of a sector which is characterised by sustantially different methods of work and production, labour relations and the composition of its workforce.

8.2 The high proportion of SMEs

The sector is characterised by a large number of small- and medium-sized companies whose attitudes and training needs differ substantially from those of large companies. There is rarely a training function per se and usually no specific budget for training.

8.3 The structure of the workforce

The workforce is characterised by its linguistic and national diversity, the level of diversity varies by sub-sector. Women are likely to be employed in low-skilled jobs. The number of trans-border workers is also significant, estimates run at 23%. Such an eclectic mix makes the provision of continuing vocational training more difficult, particularly for SMEs.

8.4 Technological development

A certain number of companies in the sector are restructuring and introducing new technology, this has altered their requirements for training and the levels of qualification of their employees. The introduction of new technologies requires a higher level of training and emphasises the need for continuing vocational training.

8.5 The decline in traditional apprenticeships

In the trade sector traditional skills are fostered largely through the apprenticeship system. This system is in decline despite the fact that skilled tradesmen are highly sought after and salaries are good. This has been attributed to parental and pupil preferences for employment in white-collar jobs in sectors such as banking and the civil service.

The Employment Administration and the Ministry of Education (MEN) have introduced measures to bridge the school – industry gap. Better careers guidance through the Centre of Psychology and Guidance at School (CPOS), the Berufs Information Zentrum (BIZ – Career Information Centre) and Action Locale pour Jeunes (ALJ – Local Action for Young People) are all working to help young people make well informed choices. In addition, a programme of short term job placements in the lower cycle of technical secondary school education is designed to introduce young people to working life.

In the industrial sector there is a steady trend towards mechanisation with production lines being manned by relatively few specialist technicians. The low grade semi- and unskilled jobs are filled by resident foreigners or trans-border workers for whom the organization of continuing training on a national level is difficult and not always considered necessary by employers.

PART 2:
CASE STUDIES

1. **Brasserie Nationale**
2. **Centralfood S.A.R.L.**

1. BRASSERIE NATIONALE

1. General description of the company

1.1 Brief history and location

The Brasserie Nationale was founded as a limited company on 1st January 1975 as the result of the merger of two old family companies, the Bofferding Brewery and the Briecher Brewery. As mentioned in the sector study, mergers have been frequent in the food and beverages sector; reducing the total number of companies in the sector has not resulted in a fall in output, indeed in some cases, production has increased.

The family nature of the company is still apparent in the recently merged companies. The brewery is situated in the centre of Bascharage, a small town some 15 km from Luxembourg city and close to the French border and the town of Longwy.

The main brewery installations are modern but all the administrative offices are located in old houses in the immediate surroundings, giving an impression that the company forms an integral part of the town. This is in contrast to the industrial estate located on the outskirts where a number of large industrial companies are located including General Motors, TDK and Luxguard.

1.2 The business context

There are five breweries in the Grand Duchy of Luxembourg of which the Brasserie Nationale, employing approximately 80 people, is one of the two largest with an annual turnover of some LFR 700,000,000.

Its main competitors are:

The Brasseries Reunie de Luxembourg Mousel and Clausen, which in 1991 had a turnover of LFR 750,000,000 and employed approximately 107 people.[1]

The Brasserie de Diekirch, whose turnover is not known, but which employs approximately 78 people.[1]

Brasserie de Wiltz, with a turnover of LFR 76,000,000 and employing approximately 30 people.[1]

The Brasserie Battin which employs approximately 18 people.[1]

1.3 The product

The company's only activity is the production and distribution of beer, NACE Classification 1596 (new) or 427 (old). The company produces only one type of beer, namely pils and only one brand – Bofferding. Their production is 185,000 hl per year.

2. Structure of the company

2.1 The management structure

The company has a joint managing directorship, Mr. Thierry Glaesner is responsible for finance, accounts and production, whilst Mr. Georges Lentz is the director with responsibility for administration and commercial activity.

Mr. Bofferding is responsible for the management of the company's buildings. The administration and commercial activity is controlled by the Commercial Director, Mr. Raymond Martin. On the financial and production side responsibilities are divided between the Finance Manager, Mr. Schroeder and the Master Brewer, Mr. Wagner.

2.2 Administrative and secretarial staff structure

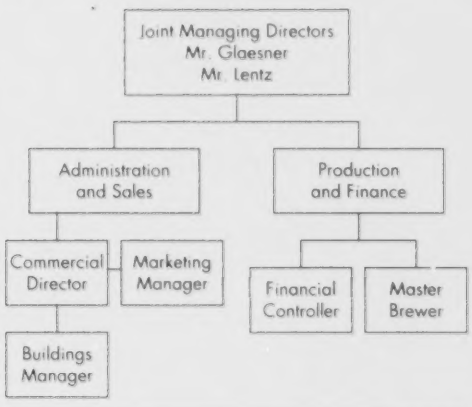
The administrative and secretarial staff are based in both directorates. The administrative and sales sector director is supported by three divisions, the marketing manager, the commercial secretariat and the department responsible for client service and sales. In total this department accounts for approximately 10% of the workforce.

The finance and production directorate has approximately 8 people dealing with client accounts and data base management, including client lists and general mailing lists.

2.3 Production staff structure

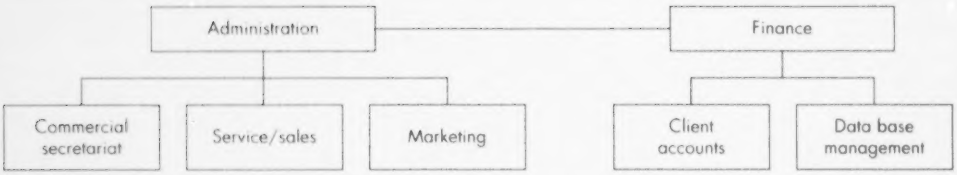
The production sector, as mentioned above, is under the control of the Chief Master Brewer, he has two other master brewers working with him. There is a Head of Production with responsibility for approximately 35 unskilled workers.

Figure 7



[1] Source: Annuaire FEDIL, 1991

Figure 8



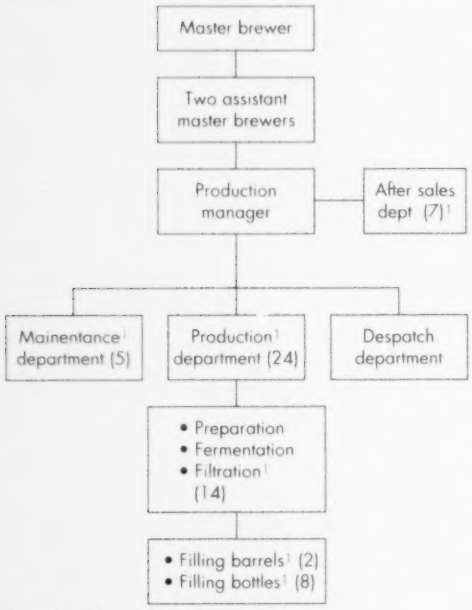
On the service and maintenance side there are five people to service the installation, 24 people in the production department and three in the despatch department.

3. The production process

In recent years the company has made a significant investment in new facilities and the current value of the whole installation is approximately LFR 600,000,000. Last year the whole system became computerised. As a result of this investment there has been a considerable increase in production.

Despite this substantial investment the company still needs a number of unskilled workers who are primarily employed in the later stages of the production cycle; namely filling bottles and barrels and packing and despatch. At present the company describes approximately one-third of its workforce as unskilled and all of these are based in the production section.

Figure 9



[1] number of employees

The Chief Master Brewer and his two assistants oversee the production process. The main production, processes 1 to 14, takes approximately two weeks. There are three shifts per day and shift rotation takes place on a monthly basis.

50% of the total production is bottled and 50% is put into barrels, a very small amount is boxed and this is generally for special uses.

4. The product and its market

4.1 The product

As mentioned above, the company only produces one product, a pils beer. The company relies on this one high quality product which it markets as a premium product, namely high price and smaller quantity in comparison with its competitors.

4.2 The market

When it was founded in 1975 the Brasserie Nationale held a 23% share of the market, in 1991 the company estimated it was the brand leader with approximately 45% of the local market. Their main competitors are the Brasseries Reunies de Luxembourg, Mousel and Clausen SA, who are estimated to hold a market share of approximately 27% and the Brasserie de Diekirch, estimated to hold a 13% share of the market. Between them it is estimated that they supply 85% of the national market.

Between 1987 and 1992 the Brasserie Nationale increased its market share from 38% to 45%, this is attributed to the installation of new plant with the use of advanced technology.

The two other breweries account for the remaining production. The Simon and Battin brands hold 4% and 2% respectively, while imported brands account for 10% of the national market.

The company perceives its role as serving the national market and, unlike its competitors, does not make efforts to export, only 8% of the production is exported.

The general view of the commercial director was that the market had been fairly stagnant in terms of volume for the past ten years. This corresponds with the view of the round table referred to in the main sector report which also underlined the

difficulties of exporting. Stagnation in consumption was in part attributed to the effectiveness of the anti "drink and drive" campaigns launched in recent years.

The following graphs show the estimated market shares in the Grand Duchy (Figure 10).

5. Marketing strategy and market research

The company endeavours to appeal to all socio-economic groups but there is, nevertheless, recognition that the main market is men in the unskilled and semi-skilled group.

The brand image is one of *quality* and advertising campaigns are primarily directed at reinforcing this impression.

The company conducts a market research study every two years. The objectives of this are:

- to check consumer reaction to the product itself by product testing;
- to check levels of brand awareness;
- to evaluate the quality, etc., of competitors' brands;
- to evaluate the effectiveness of the advertising campaign.

The company does not sell directly to the consumer but has three major outlets:

- wholesalers, who account for 20%;
- retail food outlets, which account for 30%;
- hotels, restaurants and cafes, which account for 50%.

In total there are approximately 70 wholesalers, 820 hotels, restaurants and cafes and 100 retail outlets. It is only in the retail sector that one can say that there is free sale, in this sector Bofferding outsells its major competitor, Mousel, two to one.

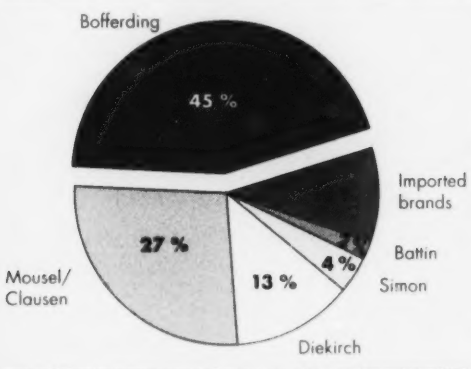
In the branch serving hotels, restaurants and cafes, the Brasserie has exclusive contracts not only to provide beer but also structural support, this includes:

- the installation of equipment;
- provision of furniture, serving materials, glasses, etc.;
- refundable loans;
- subsidies and grants.

In addition, the brewery owns a number of concessions, which it has the power to grant to people wishing to open cafes.

The law in Luxembourg regarding the opening of cafes permits only one cafe per 500 inhabitants, effectively exerting a definite limit on the number of licences available at any one time.

Figure 10 – Market Share Brands



5.1 Impact of the Single Market

The management does not consider that the advent of the Single Market will bring about any significant changes in its market position. It believes it has a brand loyal local market, which combined with the new technology which the company has recently introduced in its production process, places it in a good position for 1993.

6. The labour market

6.1 Organization of the workforce

As described above, the company does not have a classic hierarchical structure but is based on a joint managing directorship with departmental responsibilities. The management describes its strategy as one of global information. There is a belief that all employees/workers should understand the production process and the importance of each of the stages as it relates to the others.

Employees are encouraged to understand the need to respect delivery deadlines to clients. 70% of the brewery's production is supplied under contract. Whilst this provides a secure income there is an awareness in the company that client service is vital if the company is to retain its dominant position in the local market. Thus, a quality product combined with quality service forms the cornerstone of the company's philosophy.

The employee structure is predominantly male, only 11 women are employed in the company and these are all in administrative and secretarial posts, there are no women in management or in the production sector. This corresponds to the general profile data for the brewing sector.

The average age is relatively young with an estimated average of 35 amongst the staff and a slightly older 35 – 40 years amongst the workers. The following table shows the STATEC estimate for the brewing industry as a whole for the years 1985 and 1991 (the most recent available data). The low number of women generally is confirmed

and shows little variation over the period. Men working in the industry appear to be younger at present than six years ago and it is suggested that the advent of sophisticated technology has, in part, contributed to this trend. (Table 10)

There are very few part-time or seasonal workers in the sector. In contrast with the sector as a whole employees are likely to be Luxembourgers and there are a number of families where the son has traditionally followed his father into the company. These family ties have generated a sense of loyalty and provided a relatively stable workforce although there is some evidence of greater mobility in the middle ranks in recent years.

6.2 Conditions of employment

Working conditions are determined by a collective bargaining agreement negotiated for the whole sector for a two year period. A copy is included in the appendix but in summary it covers the following:

- Every employee should receive an employment contract which contains the following details: nature of work, length of employment, initial salary, exemption or supplementary clauses, classification on the salary scale of the current agreement.
- The standard working week is 40 hours over 5 days except for those engaged in shift work.
- Employees do not normally work overtime.
- Annual leave is granted according to the legal requirements in the Grand Duchy, i.e. 26 days. In addition there is provision for additional leave in exceptional circumstances: bereavement, marriage or the birth of a child.
- Employees should devote their services to the company and respect working hours. They are not allowed to engage in other paid work without the consent of their employer.
- Employees are grouped under four types of classification:

  Group 1: people who have only completed primary education and who have been working for three years or less. After five years these employees may, if their reports are satisfactory, be promoted to Group 2.

  Group 2: people who have completed the lower cycle of secondary school education and hold a CATP and those who have been promoted from Group 1.

  Group 3: people holding a secondary school leaving certificate.

  Group 4: people holding a secondary school leaving certificate, university degree or equivalent.

Table 10 – Profile of the workforce

	1985		1991	
	No.	%	No	%
Total	361	100	312	100
Men under 35	62	17	85	27
Men 35 and over	267	74	195	63
Women under 35	22	6	17	5
Women 35 and over	10	3	15	5

- Basic wages are set by the collective bargaining agreement, to this is added a head of household allowance where appropriate. All employees also receive a thirteen month payment. Payments for overtime, weekends and nights are subject to the prevailing legislation.

6.3 Qualifications and recruitment

Approximately half of the workforce are unskilled workers in the Group 1 and 2 categories and are mainly employed in the production area of the company. Administrative, secretarial and technical staff fall into Groups 3 and 4.

The company has only two apprentices at present and their situation is discussed in the section on training.

As previously mentioned, there is considerable stability in the workforce. This combined with the articles laid down in the collective bargaining agreement permit the progress of employees from one group to another.

7. Training policy

7.1 Training policy objectives

The main objectives for developing a training policy may be broadly defined as:

- a need to maintain quality, both of the product and for customer service;
- to benefit from the development of new technologies and the associated increase in productivity.

In line with this policy of producing a quality product and respecting customer requirements, the Brasserie Nationale recognises the need for continuing vocational training for its employees as an integral part of that strategy.

The recent installation of new technology has meant that the company has been able to increase it productivity significantly and has become even more aware of the need to plan and forecast its employment requirements. For this reason the company has a very positive attitude towards the continuing training of its employees.

The company is prepared to offer training, organised on either an internal or external basis, to all its employees. Requests to participate in courses and training programmes may emanate from the management or from the employees themselves. The company's policy is to encourage employees to participate in all sorts of occupational training, this may be directly relevant or tangential, for example the company would meet the training costs for employees following a language course. The company pays for all enrolment fees irrespective of whether the results are successful or otherwise.

7.2 Training content and methodology

The company follows an active training programme for its various groups of employees, usually according to the company's needs.

In general terms training may be for the acquisition of:

- technical skills directly related to the beer production process;
- technical skills related to the more general aspects of the management of the company, e.g. the introduction of computer management schemes;
- training in general education such as language courses.

Training for the technical staff is considered just as important: the electro-mechanics, installation technicians and those providing after sales services. Courses may be organised internally or externally as appropriate.

Secretarial and administrative employees are also offered courses either on an internal or external basis. Training is described as a permanent policy of the Brasserie Nationale.

a. Internal training programmes

The company organises in-house training sessions, as appropriate, for any group of employees. Methods include lectures, seminars, films and group discussions. The company may ask one of its own employees to provide the course or may call on an outside expert to undertake a specific topic.

With regard to internal training costs it is difficult to establish the actual costs of internal training as these are not allocated a separate budget and vary from year to year and according to the type of course. However, the company appears to be prepared to provide whatever training is considered to be essential for the efficient functioning of the company.

b. External training at national level

The company makes full uses of the external training courses offered in the national context. The main organizations which have been used by the company include:

- the Chamber of Commerce
- the Chamber of Private Employees
- The Luxembourg Office for Increased Productivity (OLAP)

The Chamber of Commerce

The Chamber of Commerce is the statutory body representing approximately 1,300 commercial and industrial companies in Luxembourg.

Amongst its functions the Chamber offers a variety of courses in the field of continuing vocational training. It has a team of 60 course instructors and a further 25 part-time experts.

Within its continuing vocational training programme, evening classes are offered in commercial accounting, computerised accounting, commercial correspondence, economics and taxation. In addition, there are language courses in English and French.

In the framework of its accelerated training programme the Chamber offers courses to people intending to start up their own business. The topics cover all aspects of business dealings: taxation, employment law, price controls, financial aid, purchasing and sales, personnel management and advertising.

The Chamber also offers a programme specific to the beverages sector. This course covers all the legal requirements of opening a business, legislation specific to the sector, taxation, accounting and pricing. The Brasserie Nationale insists that its employees attend courses which are directly related to the sector as it is considered essential that employees are fully conversant with the laws and regulations relating to the sector.

Apart from courses, the Chamber organises one-off seminars covering subjects such as the management of a company, finance, tax, personnel management, etc. These may run from one to five days depending on the complexity of the topic.

Each year the Chamber circulates details of courses on offer for the coming session to its members. In addition the Chamber places newspaper advertisements on the programme. Indications are that the response to the advertisements is better than from the information directed to the companies. In 1991 approximately 2,600 people, from a wide range of sectors, attended courses organised by the Chamber.

The courses organised by the Chamber are financed by up to 30% from registration fees, in the case of Brasserie Nationale employees these

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are paid by the company, up to 30% from the Chamber's own budget and up to 40% from state subsidies.

The Chamber of Private Employees

The Chamber has a continuing vocational training programme and places particular stress on courses related to information technology and computing. These courses are usually run in the evening and extend over a period of three years. There are also courses in book-keeping and economics which generally last for three years.

Since 1971 over 6,000 students have followed courses organised by the Chamber. In 1991 1,077 people were registered on long-term courses and approximately 729 people took part in ad hoc seminars organised by the Chamber.

Approximately 20 people run the evening classes of which 70% are teachers and 30% experts from private companies. Seminars are organised in collaboration with the Public Research Centre.

Courses are financed as follows: half the actual cost is charged to the participant (e.g. the Brasserie Nationale), 17% is provided by a subsidy from the Ministries of Education and Labour and the remaining third comes from the Chamber's general budget.

The Luxembourg Office for Increased Productivity (OLAP – Office Luxembourgeois pour l'Acroissement de la Productivité)

The OLAP is an organization which brings together representatives of the employers (Chamber of Commerce, Chamber of Trade (Chambre des Metiers), the Federation of Luxembourg Industries), from the employees side (Chamber of Labour (Chambre de Travail), Chamber of Private Employees and the Trade Unions) and from the government (Ministries of Economic Affairs, Finance and for the Middle Classes).

Training provided by OLAP is of four different types:

a. "Open" seminars aimed at all companies at which various economic topics are addressed. These run for between one to five days depending on the subject.
In 1991 54 seminars were organised for some 750 participants.

b. "Internal" seminars which are tailor-made to the specific requirements of a particular company.
In 1991 13 seminars were organised involving approximately 180 employees.

c. "Workshops" in computer and information technology. Generally these workshops run for between two and three days.
In 1991 there were 58 workshops catering for 454 participants.

d. "Evening courses", these are offered for advanced courses in English, French and typing. The language courses typically run for 30 hours whilst the typing courses run for three days a week over a period of four months.
In 1991 there were 80 participants.

In total 132 training activities were offered by OLAP providing training for some 1,505 participants. 80% were sent by their company and 20% attended independently. Nearly 40 training experts and consultants were responsible for organising the courses and state subsidies covered 40% of the training costs.

c. Training at international level

In the case of Brasserie Nationale mention must be made of the international trade fairs. These do not form part of the classic vocational training programme but Brasserie Nationale makes a point of sending its technical employees to the major trade fairs, particularly the Nuremburg and Munich Trade Fairs.

The technical employees are encouraged to attend and see for themselves the latest developments in the sector. The company may send as many as ten of its employees to the key fairs, all expenses being paid by the company.

7.3 A special training initiative – a tailor-made apprenticeship scheme

As in most industries and companies in Luxembourg the brewing sector has found it difficult to recruit young people into any form of apprenticeship scheme. The problem was compounded in Luxembourg by the fact that no nationally recognised qualification for the brewing sector existed and, as has been previously mentioned, the breweries have turned to Germany to fill the post of "Master Brewer" in their companies.

The company, wishing to find young local people to train in the company, decided to actively seek out new recruits. Contacts were made with one of the technical high schools and the company organised an information evening inviting both parents and young people to attend.

The object of the evening was to recruit two young people who the company would sponsor through a three year training programme. The presentation outlined the structure of the sector and the company and described the training programme on offer. It resulted in a serious response from 13 applicants, from which two were selected to begin their training in the 1990–91 academic year.

PART 2:
CASE STUDIES

1. VIAMAX A.V.E.E
2. D. Nafpliotis E.P.E.
3. M. Triantafyllou E.E.
4. Sinopoulos Service E.P.E.

These young people were to spend three months a year in a vocational training school in Dortmund, Germany, and the remaining time in the company itself. The theoretical course in Dortmund would ensure that at the end of the three years the trainees would qualify for a "skilled workers" certificate which would enable them to work in a number of areas related to brewing and distillation.

Since a comparable qualification did not exist in Luxembourg the company negotiated with the Chamber of Commerce to ensure that the qualification obtained would be recognized.

During the time spent in the company the trainees work in all the production process departments, the company's employees assist them with the theoretical parts of their studies and books and other teaching materials are provided by the company.

The cost of training is borne by the company, including the fees and living expenses in Dortmund. The trainees are currently undertaking their third study block. The company is pleased with the programme which will provide two highly skilled employees at the end of the year and plans to recruit another trainee for the forthcoming academic year.

7.4 Training costs

It is apparent that there is no specific method of funding continuing training in the company. While the company is prepared to fund training in general there is also participation by both the state and the professional chambers in the national context. In the international context costs are borne entirely by the company.

Staff contributions to training costs are reflected in their willingness to participate in courses, particularly those which take place outside working hours.

The training budget, including attendance at trade fairs, is estimated to be in excess of LFR 500,000, there is, however, no specific budget and the costs are absorbed in the general budget for the company.

7.5 Results and evaluation of training

For the company the most positive training result (in the past four years) has been the significant increase in productivity. However, in the field of ever increasing technological sophistication the company needs, in the first instance, to keep abreast of new developments, hence the value placed on attendance at trade fairs. It is then the responsibility of the Master Brewer and his technical staff to determine what future technical training will be required.

The quality of the product is controlled through market research as is the effectiveness of current advertising campaigns and the associated corporate image.

From the employees and workers point of view, training is considered to directly enhance job related skills and to permit the individual to develop his/her personal capacities. For the latter it appears that the company acts as a positive supporter rather than an initiator, the onus rests on the employee to request participation in a training course.

8. The role of the social partners

The Brasserie has two employee representatives, one from OGB-L (the Free Union) and one from the Private Employees Union. As there is a collective bargaining agreement for the whole sector there is not a pressing need at local level for negotiations concerning conditions of employment. Wages are considered high for the industrial sector and for the food and drink sector in particular. The additional payments, e.g. head of household allowance and the 13th month, are highly appreciated. The trade unions view this sector as fair employers.

While there is no formal provision in the collective bargaining agreement for continuing training the company's policy of encouraging participation in one of the many programmes available in Luxembourg ensures that employees have reasonable access to training. As previously mentioned, the company may insist on participation in certain courses which it considers necessary for the future development of the company.

9. Evaluation

9.1 By the company

The family character of the company has persisted despite the merger. This is reflected in its location, buildings and general atmosphere. The philosophy of keeping the employees fully informed and an atmosphere of collaboration means that training has become part of the global strategy of the company. Training is seen as a permanent part of management and the need to provide training for all groups of employees is an integral part of that management strategy.

The decision to install new production process technology necessitated the provision of training and a recognition of the need for continuing training. Recruitment of the two trainees and the development of their training programme appears to be an innovative solution to the problems of finding suitably skilled staff; only time will tell if this is a successful investment.

9.2 By the employees and/or their representatives

The comparatively good labour relations have clearly contributed to commercial success; higher than average wage levels for the sector, additional

benefits as outlined in the earlier part of the report; a willingness to sponsor training requested by employees and, finally, full recognition of a well trained and motivated workforce have all added to the success of the company on a national level.

9.3 By the author

The training policy of the Brasseries Nationale appears coherent in terms of its content and the needs of the company. It has succeeded in identifying the need for long-term training in a rapidly changing technological environment and, as a result, appears prepared to invest in its workforce.

The stability of the workforce enhances the company's willingness to invest in training on the one hand and generates loyalty on the other.

The relatively good industrial relations, which are reflected in the collective bargaining agreement for the whole sector, mean that all the interested parties are able to work together on the development of a continuing training programme.

However, as yet, there is no specific recognition of training in the agreement apart from that accorded to training leave for staff representatives. There is, at present, no special budget for training and costs are met as required. It is possible that a more systematic budgetary approach will be introduced. Would this enhance the training strategy or simply reduce the flexibility that currently exists?

2. CENTRALFOOD S.A.R.L.

1. General description of the company

1.1 The business context

Centralfood S.à.r.l. forms an integral part of the agrofood section of Centrale Paysanne Luxembourgeoise and is, thus, a major employer in the food sector in Luxembourg. The Centrale Paysanne employs some 630 people which represents approximately 19% of the total workforce in the sector. Its subsidiary, Centralfood, employs approximately 300 people and has an annual turnover of LFR 1,000 million.

Centralfood's main activity is the slaughter and processing of meat products and the production of dairy products. Due to the complex and interrelated structure of Centrale Paysanne it is necessary to outline the dynamics of the relationship. The following section describes the history and development of Centrale Paysanne in Luxembourg and the relationship of *Centralfood* to the parent company.

1.2 The history of Centrale Paysanne

Centrale Paysanne was established in 1944 and became extremely important in the period of post-war reconstruction. From its conception it saw its role both as a union representing the local farmers, wine growers and horticulturalists and as a body which would help these self-same producers market their products. Its stated aim was to defend the interests of agriculture in the economic, social and political life of the country.

On 10 October 1945 the National Council of Agriculture of the Centrale Paysanne was invested with the functions and duties of a Chamber of Agriculture.

At the time of the signing of the Treaty of Rome there was still no agricultural government body and as a result special provision was made for Luxembourg where the Centrale Paysanne continued to play a major role.

In 1950 the Centrale Paysanne regrouped 150 local dairies to form the now well-known Luxlait. Between 1959 and 1971 it installed grain silos, a seed grading plant, a feedmill, an egg grading plant, a milk powder factory, a slaughterhouse with a meat processing plant and an auction hall. At this time the corresponding investment amounted to LFR 2,000 million.

Throughout the 1970s the Centrale Paysanne played an important role in representing Luxembourg farming interests, but in the 1980s other forces came into play, the farming interests became more fragmented and in 1987 the government created the Chambre d'Agriculture (Chamber of Agriculture) effectively depriving the Centrale Paysanne of its dominant role in the sector.

The Centrale Paysanne still holds the majority in the Chamber but other interests hold approximately 40% of the seats. In addition, a damaging legal action in the late 1980s has further eroded the dominance of the organization in the sector. The overall management is currently being restructured and will be described in the following sections of the report.

At the present time the Centrale Paysanne, with its secretariat and departments, employs approximately 130 people. It produces a weekly newspaper, "De Letzeburger Bauer" (The Luxembourger Farmer) and publishes an almanac, the "Letzeburger Bauere-Kalenner" annually.

Apart from its more general activities the Centrale Paysanne has also created two additional bodies: Service Jeunesse, which as its name implies, seeks to develop the interests of its younger members; Service Activités Feminines, the women's organization of the Centrale Paysanne whose aim is to develop occupational, economic and social activities for the women involved in agriculture, wine growing and horticulture.

2. The structure of the Centrale Paysanne Secretariat

The dual role of the Centrale Paysanne, namely producer and supplier, involves a complex legal and management structure.

The General Secretariat represents the central point for professional, agricultural activities (union, political, economic, technical, social or cultural) and for the management responsibilities of the various departments and organizations set up by the agricultural sector.

The General Secretariat is described as being "responsible to the Committee of the Centrale Paysanne for the fulfilment of its obligations to defend agricultural interests and to support the economic and commercial structures". *Centralfood* S.à.r.l. depends on the secretariat for its financial and administrative support.

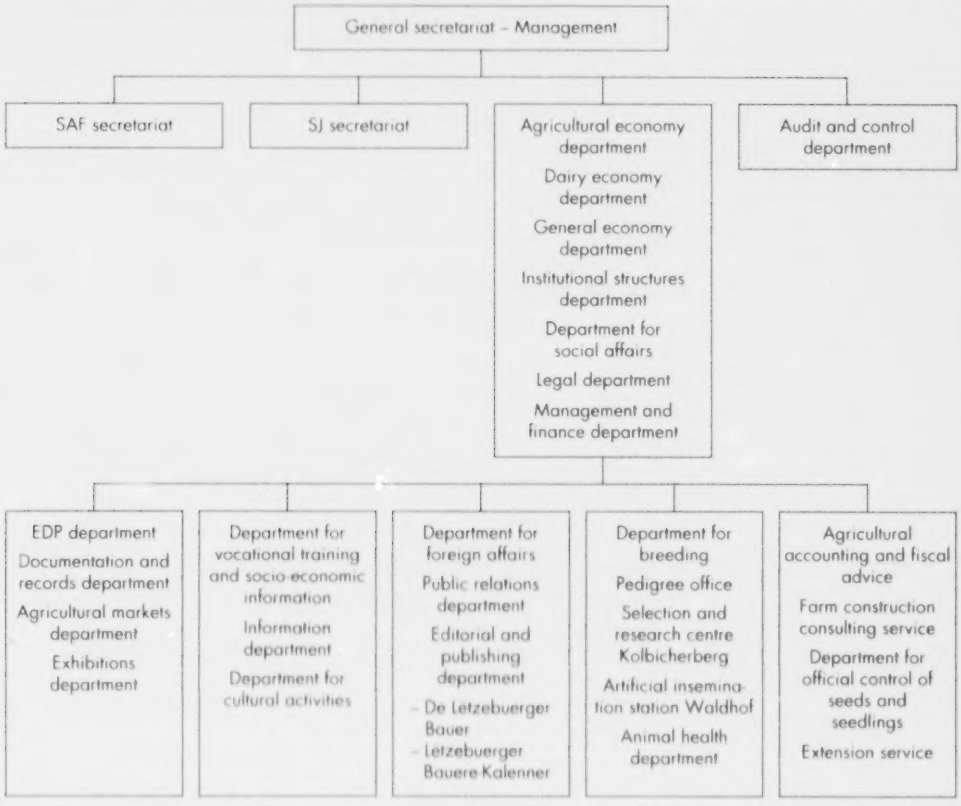
Centrale Paysanne Services S.à.r.l. operates the different services created by the Centrale Paysanne and all of these are available to *Centralfood*.

These services fall into three main areas:

- general and agricultural economic affairs;
- sector related matters;
- professional, economic, technical and scientific assistance.

The following diagram illustrates the organization and structure (Figure 11).

Figure 11 – The General Secretariat - Structure & Organization



3. The economic structures established by the Centrale Paysanne

Apart from the General Secretariat the Centrale Paysanne has established a number of economic structures to promote its overall objectives, as a result a number of commercial companies specialising in the processing and marketing of agricultural products have been set up. CEPAL S.A. manages the overall assets of the Centrale Paysanne and has a registered capital of LFR 50 million.

Centralfood is one of the companies set up within the Centrale Paysanne Group, it has a registered capital of LFR 20 million.

In addition, the Centrale Paysanne has also set up a number of departments to provide professional, economical, technical and scientific assistance to farmers.

The economic organization created by Centrale Paysanne comprises the following companies:

Registered capital	*LFR million*
CEPAL SA Managing body of the Centrale Paysanne Luxembourgeoise assets	50
DELPA SOCIETE COOPERATIVE Organization for the economic development and promotion of agriculture	3.033
CENTRALMARKETING SA Agricultural marketing and trade company	20
CENTRALFOOD S.à.r.l. Luxembourg agro-food sector	20
SILOCENTRALE S.à.r.l. Company in charge of the Agrocenter silos	15
CENTRALE PAYSANNE SERVICES S.à.r.l. Department for management and assistance	5
LUXLAIT-PRODUITS S.à.r.l. Manufacture of processed dairy products	2
AGRICONSULT S.à.r.l. Consulting engineers	2
ESKIMO EUROP S.à.r.l. Ice cream and frozen food distribution company	12.5
MOULINS DE BISSEN S.à.r.l. Industrial mills	0.5

4. The location of Centralfood S.à.r.l.

Centralfood is located in the Centrale Paysanne Agrocentre at Mersch, a town approximately 20km from Luxembourg City, near the geographic centre of the country and particularly well served by the railway network.

The Agrocentre occupies a site of more than 30 ha and houses the various units of the Centrale Paysanne. These assets belong to Centrale Paysanne but are managed and run by commercial companies including *Centralfood*.

The economic return of the Agrocentre units provides for their daily operating costs, their financial support, depreciation and modernisation. The Agrocentre Management is responsible for the operational activities of the factories. *Centralfood* shares all the technical support services with the other companies operating in the centre.

Centralfood together with the other companies operating in the Agrocentre rely on the Central Paysanne to provide support services. The Centrale Paysanne Head Office, located in Luxembourg City, is responsible for the management of the agro-economic trends for the Luxembourg farmers and provides economic back-up services. In addition, management of human resources for the whole Agrocentre, including *Centralfood*, is centralised.

The Head Office of Centrale Paysanne has a staff of approximately 130.

In addition a further 10 people are employed at the Moulin de Bissen, 70 are employed in the distribution of Luxlait products, 40 in the seed grading service and another 3 people in the Belgian branch of Centralmarketing in Brussels.

5. The Centralfood installation at the Agrocentre

The abattoir and meat processing plant

As mentioned in the sector study, Luxembourg has four municipal abattoirs and a private abattoir at Mersch. The *Centralfood* slaughterhouse commenced operations in 1970/71 and has departments specialising in butchery, processing, curing and preserving.

- **The slaughtering department**

Animals are brought directly from the farms to Mersch by truck, after a rest period they are taken to the abattoir. The abattoir has a capacity of 20 head of cattle and 120 pigs per hour. After slaughtering they are sent to the refrigeration rooms before going on to the plant processing area.

- **The butchery department**

The cutting up and boning of the chilled carcasses takes place in the butchery area, which in turn supplies the departments specialising in curing, preserving and preparing cold cuts. Throughout the process quality control specialists check the meat using the on-site laboratories.

- **The cold cuts department**

The cold cuts are prepared and seasoned according to the markets for which they are destined. There is a wide range of products including different types of sausage and saucissons, various patés, meat salads and galantines. These products are either sold loose or vacuum-packed.

- **Cured and smoked meats**

The abattoir produces a number of smoked and cured products such as hams, bacon, hands of pork, etc. Dry-curing is carried out using salt seasoned with blended spices. Beechwood is used to smoke the hams which are then left to air-dry.

- **The canning department**

The canning department has been specifically developed to reach more distant markets, products include cocktail sausages, frankfurters and hot dogs.

- **Vacuum-packed goods**

The importance of vacuum-packed goods has increased in recent years, due in part to their longer shelf life.

The plant is certified both by the Luxembourg and EC Authorities, carrying the identification code L VIIICE. Health inspection is carried out by the State veterinary surgeons and there are continuous quality checks on the meat.

6. Other Agrocentre installations

6.1 The silos

The grain silos were built between 1958–59 and extended in 1965. They currently have a storage capacity of 36,000 tons, a receiving capacity of 3,000 tons per day and a drying capacity of 160 tons per hour. Approximately 25 to 35% of the annual cereal production is brought to Mersch. 50% of the cereals stored at Mersch are initially received at stations belong to the Fédération Agricole d'Achat et Vente (Agricultural Buying and Sales Federation), the grain is then transported by rail to the central silos.

The grain undergoes a process of standardisation before storage and subsequent sale. In the case of fodder grains these are used by the Agrocentre feedmill. Most of the cereals are destined for EC markets. For the better quality grain, contracts have been negotiated with bakers and the group mill at Bissen is also supplied.

6.2 The feedmill

A feedmill is located on the Mersch site. A temporary mill was originally installed in 1961 but in 1967 a modern mill was built. The factory is capable of producing up to 60,000 tons of compound feed per annum and has a storage capacity of 7,000 tons.

The feedmill uses fodder cereals from the grain silos. Production takes two forms: pellets 80% and flour 20%. This production covers approximately 65% of the needs of the national market. Marketing and distribution is directly undertaken by "Silocentrale S.à.r.l.".

6.3 The seed grading plant

The plant was originally built between 1962–63 and extended in 1968. It has a storage capacity of 5,000 tons. The plant receives, stores, processes and markets a large variety of cereals and fodder beans.

The Syndicat des Producteurs Luxembourgeois de Semance is responsible for multiple licences and production control and markets the products of its members. There is close collaboration between the seed producers and the Agrocentre.

6.4 The egg grading plant and honey processing department

These units were installed between 1963 and 1965 and provide a service to local producers.

7. Facilities used and shared by Centralfood at the Agrocentre

7.1 The SEG laboratory

The laboratory was installed in 1983 and is equipped with highly specialised, automated and computerised instruments. It is responsible for improving the productivity and the development of pig and cattle production in Luxembourg. One of its main activities involves providing dairy control combined with herd management.

7.2 The central laboratory

Centralfood and each of the various plants are equipped with a working laboratory for routine bacteriological and chemical tests. In addition, Centralfood makes use of the central laboratory with its chemistry and bacteriological departments which are able to carry out more advanced research.

7.3 The auction and exhibition hall

The hall has exhibition rings and is used for both auctions of breeding stock and shows. It can also be used for a variety of social events.

8. Other commercial activities carried out at the Agrocentre

8.1 Centralmarketing S.à.r.l.

In 1963 the Centrale Paysanne set up Centralmarketing S.à.r.l. with the objective of specialising in marketing and market surveys for Central Paysanne produce. Centralmarketing is responsible for the marketing as well as the distribution of *Centralfood* meat products produced at the Agrocentre and dairy products from the Luxembourg cooperative sector.

Centralmarketing has three departments, one for meat products from *Centralfood*, one for dairy products and one for eggs, honey and other products. It also has a branch office in Brussels, "Les Patrons Charcutiers S.A.", which is responsible for meat products distribution in Belgium.

8.2 Luxlait Produits S.à.r.l. and Eskimo Europ S.à.r.l.

It is essential to distinguish between Luxlait Produits and Luxlait Association Agricole, the former belongs to the Centrale Paysanne but the latter does not. However, the two companies have contacts and Centralmarketing sells Luxlait Association Agricole products.

Luxlait Produits' main product is ice cream which it manufactures in conjunction with Eskimo Europ. A new plant is being installed at the Agrocentre and will come on line early in 1993.

9. The revised group structure and the position of Centralfood

The management structure

Until the end of 1992 the group was under the direction of one person, Mr. M. Berns. On his retirement at the end of 1992 the group decided it would be appropriate to consider a restructuring. As a result of this, with effect from January 1993, the group is run by a board of directors, with the presidency being held on a rotational basis. Whilst it is hoped to work on a basis of a consensus of decisions, majority voting will be used when necessary.

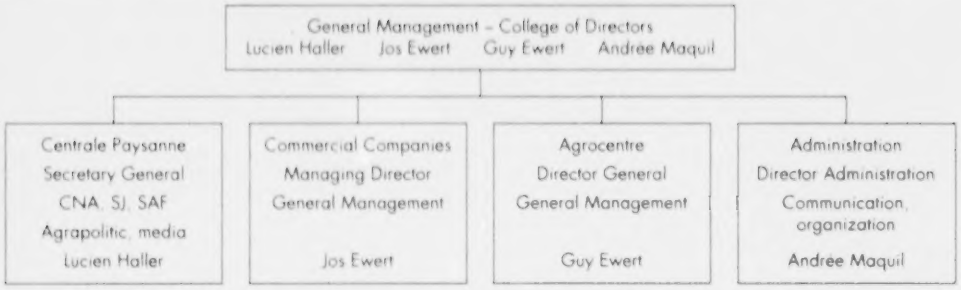
This new structure will provide a clearer division between the producers' interests and the demands of the market, thus the Central Paysanne will assume responsibility for the representation of farming interests and the "commercial companies" division will act as the commercial branch of the organization. Thus, **Centralfood** is represented under the main structural framework by the "commercial companies" division under the direction of Mr. Jos Ewert, a member of the Board of Directors.

10. Marketing strategy

10.1 Group strategy

Due to Centrale Paysanne's very complex and overlapping structures there has, from time to time, been a conflict of interests between the different groups. The farmers are the suppliers of the raw products and naturally wish to obtain the maximum price for their produce; the commercial companies within the group have to respond to

Figure 12 – Management structure



market forces, thus the group has been confronted with conflicting objectives. It is hoped that with a clearer division of responsibilities within the managing board that each sector will be able to react more independently.

In terms of the specific sub-sectors of activity the marketing strategy varies. In the area of products not destined for human consumption the seed grading plant provides specifically for the local market as does the animal feed production.

Cereals are marketed locally and a proportion are exported to Germany. As certain prices are officially controlled only a restricted marketing strategy is possible.

10.2 Centralfood's strategy

Centralfood perceives an opportunity to develop specialist products within the meat production sector. At present the range is impressive with between 600 and 800 different items being produced. Brand names include Luxviande, Pece and Maria Marquet.

Customers include butchers' shops, foodstores, supermarkets, hotels and private individuals. As mentioned above, Centralfood relies on Centralmarketing S.à.r.l. for the wholesale and retail distribution of its products in Luxembourg and through Les Patrons Charcutiers S.A. in Belgium.

10.3 Impact of the Single Market

The management of Centralfood does not consider that the advent of the Single Market will bring about significant changes but hopes that it will facilitate the movement of products across national borders, this has been a particular problem with the French market.

The company's planned objective is quality products at reasonable prices and it hopes to extend its range by importing other products and/or brands. Due to the various Community health measures and labelling requirements the management recognises that it will have to ensure that its employees are kept up-to-date through training and reliable information sources.

11. The Labour Market

11.1 The organization of the workforce

The complex structure and independency of the various companies within Centrale Paysanne make it difficult to clearly distinguish the functions of an individual company. The Agrocentre, with its various production activities, employs approximately 350 people with widely ranging skills and qualifications, ranging from highly qualified scientists to relatively unskilled workers in certain areas of the production process. Two-thirds of the workforce is described as unskilled. Human resources management is undertaken centrally by one personnel manager for the whole Centrale Paysanne Group.

The following chart shows the overall distribution of staff in the production of foodstuffs by job level.

11.2 Characteristics of Centralfood's workforce

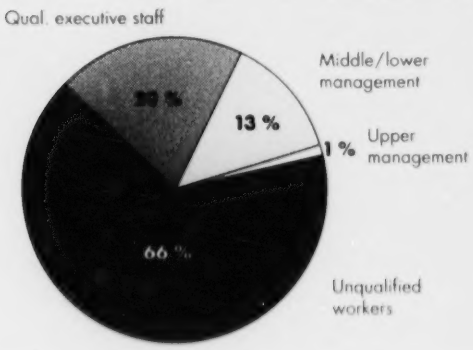
Recruitment requirements in the meat production process have developed in recent years. The swift industrialisation of this sector has resulted in Centralfood requiring an increasingly specialist workforce. In addition, meat cannot be view as an homogeneous unchanging product and, therefore, requires a variety of skills to ensure its production and successful marketing.

Centralfood currently employs three biochemists who are involved in research and have direct contacts with the COMBACH Institute in Germany.

In addition to these scientific staff the company also employs six economists whose task it is to adjust the weekly meat prices according to market trends.

The Agrocentre itself has a central maintenance team of 40 people, these include industrial engineers and skilled maintenance staff who hold a minimum IST, engineering diploma or, in the case of maintenance, a CATP or Maîtrise (Master's diploma). The centre also produces its own water, steam and compressed air and, therefore, requires staff in these departments as well.

Figure 13 – Structure of staff in the production of foodstuffs



There are 170 people directly involved in the meat production process. Of these, 20 hold a Master Butcher qualification, 60 hold a CATP and 50 do not hold a recognised qualification but are considered competent in the area of meat preparation. The remaining employees, including cleaning staff, are classified as unskilled workers.

In terms of gender and nationality of the workforce the following graphs show that women tend to be engaged in the lower skilled positions, they are most widely used in the later processing stages, in particular the cold cuts and preparation departments. Women are not allowed by law to work in the slaughterhouse where there is heavy lifting work. There are approximately 23 people working in the abattoir. The women employed by Centralfood are frequently of foreign origin, in particular Portuguese.

Figure 14 – Structure of the Workforce – By gender

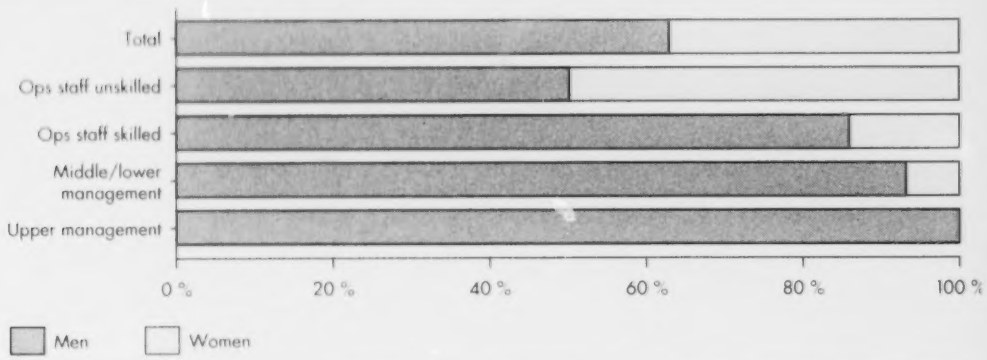
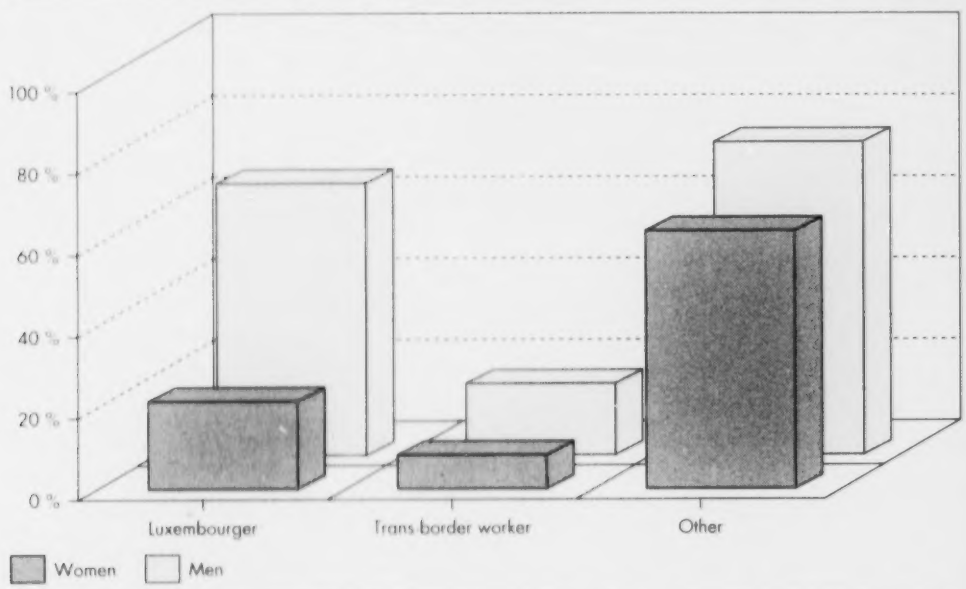


Figure 15 – Structure of the Workforce – By nationality



11.3 Recruitment

In Luxembourg the annual job increase rate is estimated at 5,000 jobs per annum but potential employees tend to prefer other sectors and employers. Large employers such as ARBED, the steel company, and Goodyear, the tyre company, offer strong competition for the technically skilled worker while the banking sector remains a favourite for white-collar workers.

In the past Centralfood has experienced recruitment problems but the recent economic recession has alleviated the situation considerably and the management has encountered less difficulty in recent months.

The low wage rates in lower grade jobs in the sector have made it less attractive than the high wages/fringe benefits offered by State jobs and have caused recruitment problems for the company. Thus there has been a tendency to recruit a significant number of foreign workers who are willing to accept lower rates of pay. This is clearly illustrated in the above graphs, approximately half of Centralfood's workforce are foreign, comprising 16 nationalities.

Although there are no precise figures for employee turnover it was considered that this had been a problem in certain areas but, once again, the recent economic climate had led to a greater stability in the workforce.

11.4 Conditions of employment

Collective Bargaining Agreements

Working conditions are determined by several collective bargaining agreements negotiated by different sections of the workforce. These collective bargaining agreements cover approximately 80% of all the people employed at the Agrocentre and apply to employees of Luxlait Produits, Silocentral and Centralmarketing as well as Centralfood. Eskimo Europe, the Moulin de Bissen and Central Services are not covered. The two unions represented are OGB-L (Onofhangege Gewerkschaftsbond Letzebuerg) and LCGB (Letzebuerger Chreschtleche Gewerkschafts-Bond).

The collective bargaining agreement provides for nine categories of employee:

- Holder of a Masters Certificate
- Technician
- Foreman
- CATP holder
- Machinist
- Driver
- Trainee
- Minor (under 18 years of age)
- Unskilled on the social minimum wage

A copy of the agreement is appended to this report.

The most recent collective bargaining agreement, signed on 21 July 1992, provides additional conditions: an increase in hourly rates of LFR 1.5 (indice 484.97), a LFR 3,000 voucher to cover the period 1 January to 30 June 1992 and, finally, with effect from 1992 the Monday of the annual fair will be counted as an additional holiday in addition to the statutory holidays. The agreement will be effective from 1 January 1992 to 30 June 1993 when it will be renegotiated.

Rates of pay

Wages for unskilled workers in the sector, with some notable exceptions, are low compared to other industries. The total wage bill for Centralfood is approximately LFR 180 million. Wages at Centralfood are negotiated centrally. They are not high and the recently negotiated agreement was, in the eyes of the union representative, unsatisfactory as it only provided a minimal rise, accompanied by a LFR 3,000 voucher. The statutory minimum monthly wage is LFR 39,500 or LFR 218 per hour, CATP holders receive 20% more than this basic figure.

Approximately half of the technical and clerical employees have a "convention cadre" (framework agreement) which is currently being renegotiated. This group is represented by the Fédération des Employés Privés. Due to the diversity of qualifications and interests within this group there tends to be considerable fragmentation and, at present, there are 12 different delegations representing staff interests.

Annual evaluation

The company has a system of employee evaluation and, if the annual evaluation is positive, the employee may benefit from a performance related bonus. The system appears to be very individualised and treated on a case by case basis. In more general terms, the company adheres to the national legislation referred to in the first case study.

Working hours

The plant operates on a rotation basis but there is no night shift. Work in the abattoir starts at 06.00 and other departments begin at 07.00 or 08.00 according to their position in the production process. The working day varies between eight and nine hours, five days per week and the plant closes at 20.00. Employees work on a rotation basis on a pre-programmed schedule.

12. Continuous vocational training practices

12.1 Training strategy

Systematic continuing vocational training was first introduced at Centralfood in 1975, prior to this there had been training in the cereal sector of the Central Paysanne but very little in the meat sector. The tendency had been for this sector to be

considered as a craft sector but management realised that technological advances would oblige the company to proceed with the introduction of new methods.

As there was no locally available training the company had to invest in training elsewhere. Thus, the younger employees began to acquire experience and the company's level of expertise increased, particularly in the field of biochemistry. Staff were sent abroad to training institutes which had a reputation in the field, particulary to Denmark and Sweden.

Centralfood's training policy does not follow a systematic plan. At present the management's efforts are totally directed to keeping up-to-date with the rapid changes in production methods and technology. This implies that, currently, the main emphasis is placed on the meat preparation sector and its associated technology. In fact until recently, due to the variability of the basis product, meat, it has been difficult to standardise industrial procedures.

Thus, the main objective of the company's training policy has been to master the new technologies and maintain quality standards in order to remain competitive in the European market following the implementation of the Single Market Act in January 1993.

The training policy is one of "top – down" in the sense that the company believes it is essential to first invest in the training of the managerial staff who are responsible for the introduction of new technologies. Training is not extended to the operatives except in the case of specific need. This means that training is essentially concentrated on those in the management grades.

These general principles do not, however, mean that training, whether internal or external, is not offered to other groups if there is a specific need.

The company does not initiate training for personal development but employees may request to attend courses organized by the various educational and professional bodies in the country.

12.2 Organization of training

Centralfood training is organized by the central personnel department of the Agrocentre. There are common guidelines for the whole group concerning management and technical training.

At present the focus of training is on enabling the group to conform to the ISO 9000 standards for quality and to meet the international requirements and EC regulations concerning the draft directive on health and hygiene. An in-house working group is currently monitoring and making recommendations for future training requirements.

Sources of information on training

Due to the heterogeneous nature of the activities of the workforce at Centralfood and the Agrocentre the training department subscribes to approximately 70 magazines (daily, weekly and monthly) covering all the different fields of interest. These include:

- agrofood market
- technical reviews
- market studies
- commercial contacts
- economic information
- official journals
- computer reviews
- reviews from the professional chambers
- reviews from the unions
- magazines concerning meat production technology
- magazines on nutrition
- magazines on management techniques
- magazines on the cereal sector

12.3 Training programmes

a. Internal training

The company may organize in-house training sessions for any group of staff. There are no specialist training staff with a pedagogical background. Generally sessions will be given by a member of the management staff who has attended a course and who is, therefore, considered responsible for ensuring that others in the section receive the necessary training.

b. External training at national level

The company makes use, as the need dictates, of nationally available training courses. It should be underlined that this is mostly directed at administrative and clerical staff as there is little available at national level at a highly technically level. Staff may request to attend such training courses themselves and the company will generally pay the enrolment fees.

While, as indicated, the training effort is largely directed at the technical sector, both the employees and workers representatives receive two days paid training leave to attend training courses offered for union and staff representatives.

The main organizations which have been used by the company include:

- The Chamber of Commerce
- The Chamber of Private Employees
- The Luxembourg Office for Increased Productivity (OLAP)

Details of the types of course provided were covered in the first case study.

c. Special training measures

The overall training policy was described by some people as "reactive" but, nevertheless, there have been individual training initiatives which indicate a strong appreciation of the current need to remain at the forefront of technological development.

The most recent has been the training provided for the head of the ice cream production plant who has benefitted from a number of training programmes in preparation for the opening of the new plant. This person initially spent six months in Switzerland studying the production of milk products followed by further courses in Scandinavia and the USA and, in January 1993, a further specialist course in ice cream making in the United States.

The manager was asked to enter into a three-year contract with the company in return for the training provided.

12.4 Training budget

Centralfood has no specific training budget. Money for training is provided, as necessary, from the general Agrocentre operating budget. In a "good year" the centre may spend up to LFR 1.5 million on training but this figure is usually approximately LFR 750,000 per annum.

To date the company has received no EC contributions or state subsidies and all continuing vocational training costs have been met by the company itself. As mentioned in the first case study, the cost of local training courses provided by the various bodies is however, in part, met by the professional chambers and/or the state.

The company assumes responsibility for course enrolment fees, travel and subsistence costs for external training. There does not appear to be a restriction on what is deemed necessary training for technical staff.

12.5 An analysis of continuing training provided in 1991

The company does not have a fixed annual training budget, the general policy is to send staff on courses as required.

In 1991 there were 49 cases when staff attended training courses. This translates into 780 working hours or 97.5 days.

Members of staff attended 27 different courses during the year; an average 1.81 courses per person.

The following table indicates the type of course analysed by the sector activity.

As can be seen, during the past year the meat sector has been the prime beneficiary from the training programme and attendance at trade fairs, considered one of the most important sources of information and training.

Analysis of the training programme shows that the greatest number of people receiving training are from the upper management levels and are particularly focused on the technical support sector.

The Heads of Service, generally holding a post secondary school qualification, are the most likely to receive further training, followed by personnel staff. Globally the staff most likely to be sent on training courses are in the middle to upper management range as shown in the following tables (Tables 11, 12).

Analysis of the sector by type of training indicates that nearly 60% of all training was provided in the meat sector and of this, 22% was for technological support of the production syste (Table 13).

An analysis of training locations indicated that only 18% of training takes place in the Grand Duchy and over 40% of courses are undertaken in Germany. Belgium, followed by the Netherlands, is the second most likely choice. Germany and Belgium are preferred for further training in the meat sector as shown in the following table (Table 14).

13. The role of the social partners

The role of the social partners does not appear to be of central importance in the field of training, due in part to the very heterogeneous nature of the workforce and the large number of groups representing different staff interests. Nevertheless, the attitude to training is positive in relation to management and technical staff.

With regard to lower levels little training is offered to or requested by the workers. There appears to be little else other than the training days granted for union work and it is apparent that although the meat sector has clearly benefitted from considerable training investment in recent years this has not been the case in other sectors. However, the workforce acknowledge that when new equipment is installed appropriate training is provided to a key person who subsequently trains others in the team.

The union representatives never asked for training as part of the working conditions although there was a favourable reaction to this idea. The union representatives, given the relatively low rates of pay in the sector, see their basic function as one of a negotiator for wage/salary scales. The recent collective bargaining agreement appears to support this position.

Table 11 – Continuing vocational training – Type of training analysed by sector

		Conference	Congress	Exhibition	Trade fair	Open day	Seminar	Visit to supplier	Total	%
Cereals		2	–	1	–	–	–	–	3	6
Meat		1	1	11	1	3	10	2	29	59
General services		–	1	6	1	2	2	1	13	27
Chemical products		–	–	1	–	–	–	4	4	8
Total	nos.	3	2	18	2	5	12	7	49	
	%	6	4	37	4	10	24	14		100

Table 12 a – Continuing vocational training – Type of training analysed by position

		Staff	Managing Director	Director	Asst Director Dept Head	Asst Head of Dept or Service	Asst Head Service/ Head of Sector/ Office	Asst Head of Section/ Team	Other	Total	
										No	%
Technological support		11	–	–	–	1	6	–	–	18	36
Marketing		–	3	–	–	–	–	–	–	3	6
Production		–	–	–	4	–	2	–	3	9	18
Man management		–	–	–	1	–	–	–	–	1	2
Technical support		–	–	–	1	12	1	–	2	16	33
Conference		–	–	–	–	1	–	–	–	1	2
Seminar		–	–	–	–	1	–	–	–	1	2
Total	No.	11	3	–	6	15	9	–	5	49	
	%	22	6	–	12	31	18	–	10		100

Table 12 b – Level of training analysed by position

		Staff	Managing Director	Director	Asst Director Dept Head	Asst Head of Dept or Service	Asst Head Service/ Head of Sector/ Office	Asst Head of Section/ Team	Other	Total	
										No	%
Level 4		1	3	–	2	4	2	–	–	12	25
Level 3		6	–	–	–	8	2	–	–	16	33
Level 2		4	–	–	4	3	5	–	3	19	39
Level 1		–	–	–	–	–	–	–	2	2	4
Total	No.	11	3	–	6	15	9	–	5	49	
	%	22	6	–	12	31	18	–	10		100

Table 13 - Continuing vocational training – Analysis of sector by type of training

		Technological support	Technical support	Human resources	General services	Marketing	Commercial	Production	Total	%
Cereals		3	–	–	–	–	–	–	3	6
Meat		11	8	1	1	3	–	–	13	27
General services		4	8	–	–	–	1	9	29	59
Chemical products		–	–	–	–	–	–	–	4	8
Total	Nos.	18	16	1	1	3	1	–	49	
	%	37	33	2	2	6	2	18		100

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Table 14 – Continuing vocational training – Sector of activity analysed by country of training

		Belgium	Germany	France	Luxembourg	Netherlands	Total	%
General services		3	3	–	6	1	13	27
Meat		7	11	2	3	6	29	59
Cereals		–	2	1	–	–	3	6
Chemical products		–	4	–	–	–	4	8
Total	Nos.	10	20	3	9	7	49	
	%	20	41	6	18	14		100

The union representatives also attributed the lack of training for less skilled workers to the heterogeneous nature of the workforce: mixed nationalities, different languages and the presence of trans-border workers all contribute to difficulties in organizing training.

14. Evaluation

Although Centralfood is actively involved in a training programme it does not appear to have taken a central position in the company's strategy. As the personnel manager stated it was "reactive" rather than innovative. This, in part, reflects the general management strategy of investing in training of the upper grades but is also partly influenced by the management changes which are currently being undertaken.

The recent long drawn out legal case has, in the view of some, detracted from the training function. The current restructuring of the company has meant that management needed to devote a great deal of effort to this process and, consequently, training had taken a secondary place in the company's priorities.

However, the company is planning to introduce Total Quality Management in line with ISO 9000 proposals and there will almost certainly be a requirement for more training. The very specific certification processes will, for example, require further training of the workforce and also a forward planning programme for training.

Apart from these internal difficulties the company is faced with more general problems which are common to the sector and the country.

Lack of national training resources

Due to the comparatively small size of the food and beverages sector in the national economic context, there are fewer continuing vocational training opportunities than in other sectors. As a consequence the company has to send staff abroad for training which is both costly and time consuming. Lack of managerial training was considered a particular problem by the union representatives who feel that companies in the sector frequently recruit outside the country. There was, however, general satisfaction in the company with the initial vocational training available.

Speed of technological innovation in the sector

The speed of technological change in the food sector, as elsewhere, requires constant adaptation in the analysis of training requirements. It also contributes to the divide between the highly skilled and unskilled, leaving the latter extremely vulnerable to changes in the labour market. It appears that women are most likely to fall into this group.

Heterogeneity of the workforce

The complex nationality and linguistic composition of the workforce (including trans-border workers) makes it necessary to adopt flexible and innovative training methods.

The problems of SMEs

Centralfood is typical of many SMEs:

- not large enough to justify a full training department which would take overall responsibility for both in-house and external training programmes.
- not having skilled training staff to provide regular training courses.
- lacking in a medium- to long-term strategy.
- low level of awareness of training possibilities amongst unskilled workers.

Those responsible for training hope that, in future, it will be accorded the status they consider it deserves and will be fully supported by both the company itself and by the various national external bodies.

PART 3:
TRENDS

Conclusions

CONCLUSIONS

3.

1. The selection of the case studies

The two case studies carried out in the framework of the sector study in Luxembourg can be considered representative of the situation of continuing vocational training in the national context, they provided examples of:

- two different product fields, namely brewing and meat processing, and their responses to training needs;
- differing structures of the companies; on the one hand an old family company and on the other a complex structure representing both the agricultural producer and the manufacturer;
- the process by which a company introduces new technologies;
- the problems of providing continuing vocational training for small- and medium-sized companies;
- innovative responses to their individual training requirements.

The case studies were, however, both of industrial companies and therefore did not provide a view of the training needs in the craft-based part of the sector. Since this accounts for a significant number of the total workers in the national context, it would have added a further dimension to the analysis of training needs.

2. Main issues

The food and beverages sector in Luxembourg is relatively small, it is a traditional source of employment maintaining, in part, its craft character but developing and moving towards more sophisticated production processes in certain areas. In the craft area of the sector the main problem has been the lack of apprentices coming forward for initial vocational training. Certain types of continuing training are available both locally and in neighbouring countries.

In the more industrialised sectors the introduction of new technologies has, in recent years, been the main force for the introduction of continuing vocational training. Initial vocational training, as offered in the framework of the CATP, is considered good but, as in so many other sectors, it is difficult for school-based training to keep up with technological advances. It has, therefore, become increasingly important for initial vocational training to adapt its methods in order to encourage and promote subsequent continuing vocational training.

Training in new technology can be divided into two types: those of a general nature such as data base management, accounts and stock management and those of a more specific type for training in technology for a particular production process. Training in the former is readily available locally and is used by a number of companies in the sector. Training in the more specific fields is not so readily available and, in fact, companies generally have to rely on other training facilities such as those provided by the equipment manufacturers. This training is frequently provided outside the country.

Training has, so far, been centred on upper managerial and technical staff. In the two case studies the companies concerned were prepared to invest in training at this level. Training of the less skilled or unskilled employees was less likely; management did not set a great priority on training and there was no expressed demand for training from the workforce.

The fact that Luxembourg is a net importer of labour has meant that the workforce is very heterogeneous and means that training requirements are somewhat complex.

3. Impact of the issues on training

The structural differences within the sector mean that the organizational aspects of continuing vocational training have been fragmented. In certain fields, such as the craft sector, there has been a steady development but it has been limited by the relatively low numbers of young people applying for apprenticeships.

Training on the national level is available in the area of general information technology. The provisions made by the Ministry of Education, the Professional Chambers and the Office for Increased Productivity permit companies to send employees on training courses as required.

Continuing training in the specific area of food technology and manufacture does not exist in the national context and the case studies reveal that companies are seeking training courses in other countries, either within or outside the EC. Each training need is analysed on an individual basis and the company chooses what it considers to be the best option available.

Medium- and long-term training has, to date, been directed almost exclusively at the specialists and technicians in middle and top management. The production staff are provided with training to enable them to work with the new technologies. These training activities are punctual, responding to very specific needs and tend to be reactive in nature.

There is little training for the low and unskilled workers in the sector who continue to remain disadvantaged. This problem is compounded by the high proportion of women, non-nationals and trans-border workers.

Training as a means of self development is not widespread but in some companies, e.g. the Brasserie Nationale, a positive philosophy exists which encourages staff to follow courses provided locally whether they are directly relevant or not. This attitude is seen as encouraging loyalty to the company and a fundamental part of total quality management.

4. Social dialogue on training in the sector

The level of social dialogue has been embodied in the country's law for over 50 years. The statutory role of the Professional Chambers in vocational training is fully recognised, thus at an institutional level the mechanisms exist. The acceptance of collective bargaining agreements as a means of regulation between employer and employee has acted as a safeguard for the workforce but in the food and beverages sector the right to continuing training has not been integrated into the general conditions of employment. Apart from the training leave granted to staff representatives, all other training is negotiated on an individual basis.

As stated, training is focused on the upper grades who discuss their individual training needs with management. Workers, on the other hand, do not play a part in continuing vocational training policy and they do not request training as part of their employment contract. The reasons appear to range from lack of awareness of training possibilities to personal circumstances, bearing in mind that these lower grade jobs are most likely to be held by non-nationals, women or trans-border workers, all of whom have particular difficulties in following training.

5. The relationship between the national education system and continuing vocational training

The national education system provides a comprehensive system of initial vocational training in both the general sense and for the food and beverages sector. The apprenticeship system provides an excellent transition between school and the workplace but, as has been mentioned, the falling numbers are of concern.

In terms of continuing vocational training, the most recent legislation provides for the creation of a National Continuing Vocational Training Institute. This is to be a public body which will provide training for those in employment, it is hoped that the institute will be able to respond rapidly to the country's commercial needs.

Due to the complex structure of the workforce, in terms of nationality and country of training, the Ministry of Education and the employers are concerned with the question of transparency of qualifications and their equivalences. In the Centralfood case study the personnel manager found this a particular problem as the collective bargaining agreements usually specify wage scales in terms of qualifications.

6. Planning and development of training

Planning and development of training in the sector does not appear to be systematic. Due to the dominance of SMEs in the sector many of the problems identified with SMEs concerning training apply. Companies are generally responding to clearly identified short-term needs rather than long-term planning.

Most SMEs do not have a specific training manager, decisions on training are taken by the management as the need arises. If, as in one of the case studies, such a function does exist it does not necessarily have board member status.

While these structural and personnel restrictions may limit the planning of training in SMEs in comparison with large manufacturers, they do, nevertheless, have a greater flexibility to respond to specific individual requirements. Their need is for good support structures for training and well structured, appropriate information on training opportunities.

7. Types of personnel in training

The sector survey and the case studies indicate that training efforts are essentially directed at the upper levels of management and technicians.

Middle and upper management attend external training courses as necessary, they are generally encouraged to obtain information themselves about training opportunities. In special cases, such as the setting up of a new plant described in Case Study No. 2, training extended beyond attendance at a single training session and the management supported a training programme of several months duration.

Technicians are sent on training courses when there is a specific technical need. This training usually relates to the installation of new plant or equipment. The same procedures also apply to clerical and secretarial staff. The introduction of new technology generally requires staff training.

Apprentices, although they are few in the food and beverages sector, are trained on an alternance basis, partly in school and partly in the company, as previously described. Case Study No.1 demonstrated an innovative solution to the problem of a shortage of applicants. This is, however, probably an unusual approach.

Training for unskilled employees does not appear to be a priority for companies in the sector. The fact that this part of the workforce consists largely of women, foreigners and trans-border workers makes the organization of training difficult. In one of the case studies there was, however, a positive

attitude to workers wishing to participate in programmes offered in Luxembourg; for example the payment of enrolment fees regardless of the final outcome.

Part-time and temporary work is less common in Luxembourg than in other EC countries and does not raise specific problems for training organization.

8. Content, methods and organization of training

The case studies demonstrate the difficulties for a country such as Luxembourg in meeting its own training needs. The country's reliance on the neighbouring labour markets means that training must take this international influence into account.

The inability of the country to meet its entire training need for the sector has a very positive effect on the training of the highly skilled, allowing companies to seek the best possible training irrespective of country. The fact that the education system promotes a high level of linguistic ability enables the well educated to pursue their training in the best possible conditions.

On the other hand, the training of lower level staff must be left to the national training facilities or to in-house training given by people who have themselves attended courses.

The training content can be divided as follows:

- acquisition of computer skills (office management, etc.)
- skill training for new technology in the production process
- upgrading of information in the field of food technology
- information concerning quality issues
- training in personal development

In the national context vocational training is undergoing a pedagogical reform, the accent is being placed on the acquisition of "key skills", these involve such concepts as "learning to learn", working as part of a group and self-evaluation. At the present time these reforms are being introduced at the level of initial vocational training but the methodology has an obvious application in continuing vocational training.

9. Cost and financing of training

In neither of the companies studied was there a specific budget line for continuing vocational training. Both companies met training costs as necessary, some years required a greater outlay than others. In a year of extensive investment in new machinery or plant, the training costs were calculated as part of the overall investment.

In more general terms, there is no information on the expenditure by companies in the sector on training.

Most costs for training specific to the sector appear to be borne by the companies themselves. Training costs in the more general areas such as information technology and language courses are, as indicated, in part subsidised by the Ministry of Education and/or the professional bodies.

There is, as yet, no incentive scheme to encourage companies to provide training nor any legal requirement obliging them to train their staff.

As so many of the companies in the sector are small it seems unlikely that they will be able, without intervention, to extend their training activities.

10. Evaluation

The case studies show that there is growing awareness of the need for continuing vocational training in the food and beverages sector but the predominance of small companies means that better national and/or regional training facilities would be of great value.

The heterogeneous character of the workforce demands innovative training schemes which will promote training, particularly amongst the less skilled. As the speed of technological change increases it will become even more important to ensure that the unskilled and, therefore, the most vulnerable are trained to take their future place in the skilled workforce.

The debate between the government, companies, professional bodies and the social partners will, amongst other things, need to address:

- the method of financing training and the establishment of levels of contribution by companies, the State and the trainees themselves;
- the right of access to continuing vocational training by those in employment;
- the question of the transparency of qualifications, particularly in the greater region around Luxembourg and the possible synergies which can be developed with training organizations in the region, thus promoting worker mobility.

APPENDICES

3.

Appendix 1

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FORCE – Vade Mecum

Methodological proposal drawn up for the first survey in the retail trade sector (Doc. FORCE/91/5 rev. 1 final)

Definition of continuing vocational training, agreed by the Continuing Vocational Training Survey Working Group

Definition of the sector (NACE)

Appendix 2

Persons Interviewed

Professional bodies

Chamber of Commerce: the professional body representing the commercial industries
- Mr. C. Koedinger: Head of the department for vocational training
- Mr. Kandel: Department of vocational training

Chamber of Trade (Chambre des Metiers) the professional body representing the artisans
- Mr. T. Mathgen: Head of the Department for vocational training

Chamber of Work (Chambre de Travail)
- Mr. F. Speltz

Fédération des Industriels Luxembourgeois
- Mr. P. Seyler: Conseiller

Fédération d'Artisans
- Mr. Sauber: Secretary General

Trade Unions

OGBL
- Mr. E. Bausch: Member SETA

LCGB
- Mr. J. Freylinger: Secretary

Brasserie Nationale

Comercial Director	Mr. Raymond Martin
Financial Controller	Mr. Schroeder
Master Brewer	Mr. Wagner

Centralfood S.à.r.l.

Secretary General	Mr. L. Haller
Managing Director – Commercial Companies	Mr. J. Ewert
Head of Human Resources Agrocentre	Mr. J. Leick
President of the workers representatives	Mr. M. Hentgen
Representative of the private employees	Mr. N. Louis

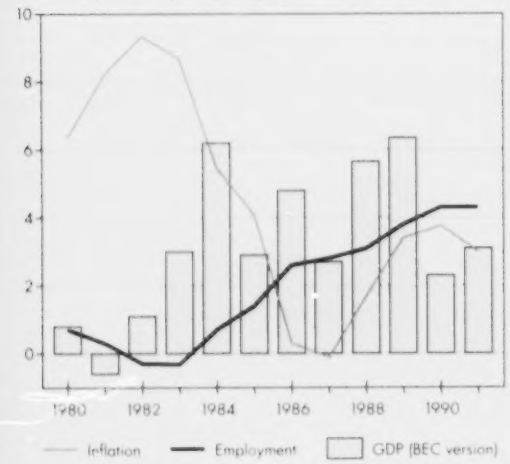
Appendix 3

Statistical Data – STATEC Industrial Classification

		No. of companies
412.1	Slaughter-houses	4
412.22	Processing of meat other than by quick freezing	6
413.1	Processing of milk, butter and cheese making	5
413.2	Production of preserved milk	1
414.6	Production of other caned and otherwise preserved fruit and vegetables	2
416.1	Manufacture of cereal meat and of cereal flours	5
417	Manufacture of spaghetti, macaroni, etc.	10
419.1	Large-scale breadmaking (bread factories) with delivery to retailers, hotels, etc.	4
423.3	Manufacture of vinegar, mustard and other condiments	1
423.5	Specialised manufacture of infant and dietetic foods	2
424.2	Distilling of spirits from fermented vegetable products	5
424.3	Production of other spirituous beverages (including aperitifs other than those with a wine base)	2
425.1	Manufacture of non-sparkling wine from fresh grapes	2
425.2	Manufacture of champagne and other sparkling wines	3
427.1	Brewing of beer	6
428.1	Bottling of natural spa waters both treated and untreated	2
428.2	Manufacture of carbonated waters, lemonade, fruit squashes and cordials and other soft drinks	2

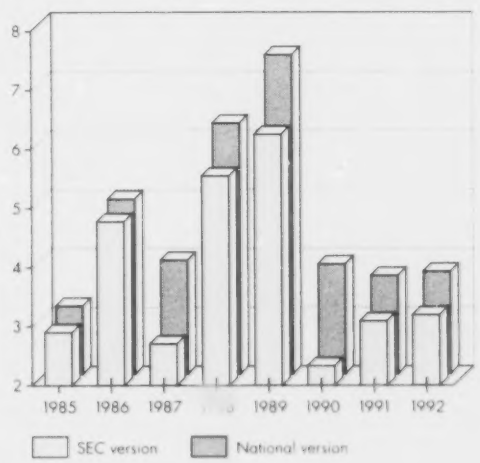
Figure 16

Development of principle agregates – Variation in %



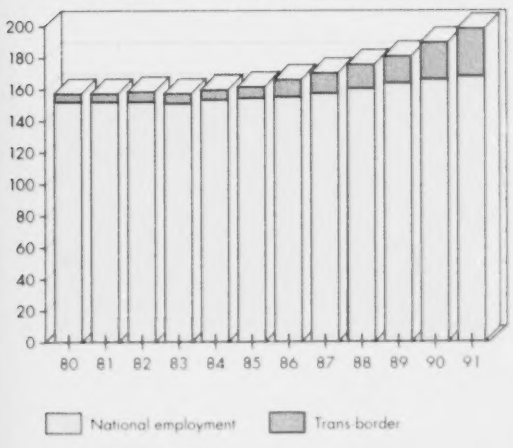
GDP by volume
Source: STATEC

Growth of GDP (compared to 1985 prices) – Variation in %



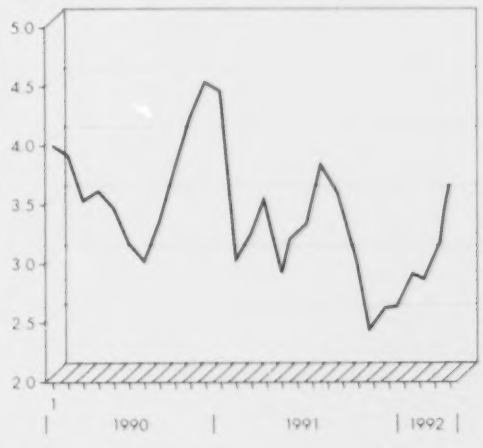
Source: STATEC

Internal employment – In 1000s of people



Source: CISS/STATEC

Consumer price index – Inter-annual variation rate – in %



Source: STATEC

Male employees working in the food and beverages sector (Situation as of 31 March 1992)

NACE Code	Age group										Total
	15–19	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	
412 Slaughtering, preparing and preserving of meat (except the butchers' trade)											
412.1 Slaughter-house	1	21	25	20	15	10	8	4		2	106
412.2 Processing and preserving of meat (except poultry)	6	33	40	32	34	31	26	12	6	6	226
Total	7	54	65	52	49	41	34	16	6	8	332
413 Manufacture of dairy products											
413.1 Processing of milk; butter and cheese making	2	36	34	35	39	44	33	31	17	3	274
413.2 Production of preserved milk		2	2		2	2		3			11
Total	2	38	36	35	41	46	33	34	17	3	285
414 Processing and preserving of fruit and vegetables											
414.6 Production of other canned and otherwise preserved fruit and vegetables				2	2						4
Total				2	2						4
416 Grain milling											
416.1 Manufacture of cereal meal and of cereal flours	1	7	13	11	12	10	7	9	4	6	80
Total	1	7	13	11	12	10	7	9	4	6	80
417 Manufacture of spaghetti, macaroni, etc.											
417.0 Manufacture of spaghetti, macaroni, etc.	1	6	1	6	1	4	4		1		24
Total	1	6	1	6	1	4	4		1		24
419 Bread and flour confectionery											
419.1 Large-scale breadmaking	6	32	31	22	5	13	8	5	2	1	125
419.2 Other breadmaking	27	85	94	45	27	13	12	10	12		325
419.3 Making of cakes and flour confectionery	15	60	65	25	19	23	9	7	4	2	229
Total	48	177	190	92	51	49	29	22	18	3	679
423 Manufacture of other food products											
423.1 Processing of coffee and tea									1		1
423.3 Manufacture of vinegar, mustard and other condiments		1						1			2
423.5 Specialized manufacture of infant and dietetic foods		1	1			2			1		5
Total		2	1			2		1	2		8

(Continue)

NACE Code	Age group										Total
	15–19	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	
424 Distilling of ethyl alcohol											
424 3 Production of other spirituous beverages					1						1
Total					1						1
425 Wine and champagne											
425 1 Industrial vinification (NACE code "Mfr of non-sparkling	1	1	3	5	4	2		1	1		18
wine from fresh grapes)	1	8	8	16	11	12	5	9	2	1	73
425 2 Manufacture of champagne and other sparkling wines											
Total	2	9	11	21	15	14	5	10	3	1	91
427 Brewing and malting											
427 1 Brewing beer	5	21	35	35	28	38	42	36	32	5	277
Total	5	21	35	35	28	38	42	36	32	5	277
428 Soft drinks and natural spa waters											
428 1 Bottling of natural spa waters		15	13	5	5	2	1				41
428 2 Manufacture of carbonated waters and lemonade		16	15	24	8	10	5	7	4	2	91
Total		31	28	29	13	12	6	7	4	2	132
General Total	66	345	380	283	213	216	160	135	87	28	1,913

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3.

Male employees working in the food and beverages sector (Situation as at 31 March 1992)

Nationality	Age group										Total
	15–19	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	
Austria										1	1
Belgium	2	32	25	26	12	9	11	5	9	5	136
Zaire						1					1
Switzerland						1					1
Cap Vert		4	5	3							12
Germany	4	18	32	30	17	9	10	11	9	3	143
Spain	1	1	4			1	1	5	1	1	15
France	6	95	114	58	38	42	20	11	2	1	387
England		1									1
Italy	4	8	17	17	14	5	6	4	4		79
Japan			1	1							2
Luxembourg	29	128	123	106	88	101	88	73	57	17	810
Morocco	1										1
Malaysia			1								1
Netherlands		2	2	2		1	1	1			9
Portugal	19	48	41	38	40	39	22	23	4		274
Poland			1	1	1		1				4
Tunisia				1							1
USA			2								2
Vietnam			1								1
Yugoslavia		4	8		2	5		1			20
Other		4	3		1	2		1	1		12
Total	66	345	380	283	213	216	160	135	87	28	1,913

Female employees working in the food and beverages sector (Situation as at 31 March 1992)

Nationality	Age group											Total
	15–19	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	> = 65	
Austria			1	1								2
Belgium		14	12	2	2		1	2				33
Cap Vert		4	3	2	1	1						11
Germany		8	12	9	8	4	7	4				52
Spain				3	1	1						5
France	4	56	45	25	19	26	6	5	4	2	1	193
Italy	4	12	10	5	4	4	6	4	2			51
Luxembourg	28	114	93	51	55	42	33	19	7	5	1	448
Netherlands		1	2	2	1			1				7
Portugal	15	61	55	52	37	32	13	5	1	2		273
Romania			2									2
Chile			1									1
Yugoslavia		3	1	1	2	2						9
Other		1		4								5
Total	51	274	237	157	130	112	66	40	14	9	2	1,092

Female employees working in the food and beverages sector (Situation as of 31 March 1992)

NACE Code	Age group											Total
	15–19	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	> = 65	
412 Slaughtering, preparing and preserving of meat (except the butchers' trade)												
412 1 Slaughter-house	1	4	5			1				1		12
412 2 Processing and preserving of meat (except poultry)	3	46	43	36	26	14	8	5	3			184
Total	4	50	48	36	26	15	8	5	3	1		196
413 Manufacture of dairy products												
413 1 Processing of milk, butter and cheese making		10	15	9	11	4	6	5		2		62
413 2 Production of preserved milk		3	1	1	1	2	1					9
Total		13	16	10	12	6	7	5		2		71
414 Processing and preserving of fruit and vegetables												
414 6 Production of other canned and otherwise preserved fruit and vegetables		1										1
Total		1										1
416 Grain milling												
416 1 Manufacture of cereal meal and of cereal flours		3	4	1	1	3	1					13
Total		3	4	1	1	3	1					13
417 Manufacture of spaghetti, macaroni, etc.												
417 0 Manufacture of spaghetti, macaroni, etc.	4	5	6	5	3	5		1	1			30
Total	4	5	6	5	3	5		1	1			30
419 Bread and flour confectionery												
419 1 Large-scale breadmaking	2	16	15	13	8	9	2	2		2		69
419 2 Other breadmaking	14	74	67	45	32	31	19	8	4	3		297
419 3 Making of cakes and flour confectionery	26	98	60	34	32	26	24	11	4	1	1	317
Total	42	188	142	92	72	66	45	21	8	6	1	683
423 Manufacture of other food products												
423 1 Processing of coffee and tea	1	2	2				1					6
423 5 Specialized manufacture of infant and dietetic foods				3		1			1			5
Total	1	2	2	3		1	1		1			11

(Continue)

NACE Code	Age group											Total
	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	> = 65	
424 Distilling of ethyl alcohol												
424.3 Production of other spirituous beverages				1	2							3
Total				1	2							3
425 Wine and champagne												
425.1 Industrial vinification (NACE code "Mfr of non-sparkling wine from fresh grapes)		5	1 8	3	9	8	2	4			1	1 40
425.2 Manufacture of champagne and other sparkling wines												
Total		5	9	3	9	8	2	4			1	41
427 Brewing and malting												
427.1 Brewing beer		3	9	5	4	8	2	4				35
Total		3	9	5	4	8	2	4				35
428 Soft drinks and natural spa waters												
428.1 Bottling of natural spa waters				1	1							2
428.2 Manufacture of carbonated waters and lemonade		4	1						1			6
Total		4	1	1	1				1			8
General Total	51	274	237	157	130	112	66	40	14	9	2	1,092

Employment	1971		1972		1973		1974		1975		1976		1977		1978		1979		1980	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Total number of workers[1]	1,668	100	1,737	100	1,749	100	1,791	100	1,790	100	1,833	100	1,882	100	1,915	100	2,048	100	2,105	100
Number of workers per company	1.9		2.1		2.2		2.4		2.5		2.7		2.9		3.0		3.3		3.4	
Number of workers per 1,000 inhabitants	4.9		5.0		5.0		5.0		5.0		5.1		5.2		5.3		5.6		5.8	
Male workers	1,021	61	1,055	61	1,020	58	1,031	58	1,014	57	1,047	57	1,057	56	1,086	57	1,122	55	1,186	56
Female workers	647	39	682	39	729	42	760	42	776	43	786	43	825	44	829	43	926	45	919	44
Nationality of workers: Luxembourgian	924	55	939	54	978	56	937	52	933	52	923	50	913	49	911	48	1,001	49	1,004	48
Foreign	744	45	798	46	771	44	854	48	857	48	910	50	969	51	1,004	52	1,047	51	1,101	52
Italian	124	7	112	6	104	6	106	6	106	6	118	6	129	7	126	7	145	7	166	8
French	223	13	233	13	217	12	236	13	220	12	237	13	227	12	229	12	248	12	264	13
German	151	9	129	7	112	6	135	8	127	7	134	7	146	8	157	8	154	8	160	8
Belgian & Dutch	36	2	52	3	50	3	42	2	51	3	50	3	50	3	47	2	50	2	68	3
Portuguese	135	8	195	11	205	12	256	14	295	16	311	17	332	18	374	20	372	18	380	18
Spanish	32	2	38	2	30	2	34	2	22	1	19	1	32	2	29	2	34	2	23	1
Other	43	3	39	2	53	3	45	3	36	2	41	2	53	3	42	2	44	2	40	2
Employed people																			367	
Number of employed people[2]	3,669		3,678		3,632		3,606		3,497		3,473		3,453		3,453		3,536		3,569	
Number of employed people per 1,000 inhabitants	10.8		10.7		10.4		10.1		9.7		9.6		9.5		9.5		9.7		9.8	

[1] Apprentices are included in the total number of workers
[2] Employed people comprise: workers, apprentices, employees, family aides and owners of companies

(Continued)

Employment	1981		1982		1983		1984		1985		1986		1987		1988		1989		1990	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Total number of workers[1]	2,115	100	2,382	100	2,428	100	2,350	100	2,469	100	2,607		2,510	100	2,538	100	2,686	100	2,763	100
Number of workers per company	3.5		4.1		4.3		4.2		4.2		4.6		4.5		4.7		5.1		5.3	
Number of workers per 1,000 inhabitants	5.8		6.5		6.6		6.4		6.7		7.1		6.7		6.7		7.1		7.3	
Male workers	1,212	57	1,288	54	1,297	53	1,270	54	1,283	52	1,357	52	1,394	56	1,373	54	1,468	55	1,479	54
Female workers	903	43	1,094	46	1,131	47	1,080	46	1,186	48	1,250	48	1,116	44	1,165	46	1,218	45	1,284	46
Nationality of workers: Luxembourgian	1,019	48	1,155	48	1,202	50	1,133	48	1,173	48	1,225	47	1,099	44	1,049	41	1,042	39	1,003	36
Foreign	1,096	52	1,227	52	1,226	50	1,217	52	1,296	52	1,382	53	1,411	56	1,489	59	1,644	61	1,760	64
Italian	169	8	154	6	155	6	150	6	151	6	160	6	132	5	136	5	144	5	125	5
French	280	13	293	12	287	12	280	12	308	12	371	14	427	17	489	19	560	21	619	22
German	152	7	192	8	198	8	197	8	197	8	205	8	204	8	201	8	222	8	208	8
Belgian & Dutch	64	3	70	3	72	3	81	3	104	4	130	5	122	5	123	5	130	5	161	6
Portuguese	378	18	455	19	446	18	445	19	420	17	444	17	455	18	470	19	513	19	562	20
Spanish	22	1	24	1	26	1	25	1	72	3	27	1	25	1	26	1	17	1	18	1
Other	31	1	39	2	42	2	39	2	44	2	45	2	46	2	44	2	58	2	67	2
Employed people	421		451		424		446		475		449		418		389		415		439	
Number of employed people[2]	3,615		3,872		3,867		3,791		3,925		3,998		3,852		3,823		3,976		4,072	
Number of employed people per 1,000 inhabitants	9.9		10.6		10.6		10.4		10.7		10.8		10.4		10.1		10.5		10.8	

[1] Apprentices are included in the total number of workers
[2] Employed people comprise: workers, apprentices, employees, family aides and owners of companies

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Companies	1971		1972		1973		1974		1975		1976		1977		1978		1979		1980	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Total no. of companies	857	100	830	100	793	100	762	100	716	100	687	100	657	100	640	100	621	100	613	100
No. of companies per 1.000 inhabitants	2.5		2.4		2.3		2.1		2.0		1.9		1.8		1.8		1.7		1.7	
workers	305	36	296	36	277	35	270	35	261	36	222	32	201	31	188	29	156	25	172	28
workers	552	64	534	64	516	65	492	65	455	64	465	68	456	69	452	71	465	75	441	72
1–4 workers	468	55	449	54	432	54	394	52	357	50	365	53	356	54	343	54	348	56	322	53
5–9 workers	66	8	60	7	64	8	72	9	67	9	70	10	65	10	79	12	77	12	78	13
10–19 workers	13	2	19	2	14	2	15	2	20	3	19	3	23	4	19	3	24	4	28	5
20–49 workers	4	0	3	0	4	1	9	1	10	1	9	1	10	2	8	1	13	2	10	2
	1	0	3	0	2	0	2	0	1	0	2	0	2	0	3	0	3	0	3	0
Head of company: – 30 years	43	5	38	5	38	5	34	4	29	4	29	4	26	4	27	4	33	5	36	6
31–40 years	225	26	207	25	181	23	173	23	159	22	145	21	127	19	124	19	118	19	121	20
41–50 years	200	23	208	25	212	27	204	27	206	29	207	30	209	32	208	33	199	32	197	32
51–60 years	219	26	202	24	177	22	166	22	144	20	138	20	134	20	127	20	119	19	108	18
61–65 years	63	7	69	8	71	9	69	9	62	9	60	9	50	8	40	6	31	5	37	6
over 65 years	56	7	51	6	52	7	46	6	45	6	39	6	40	6	44	7	43	7	25	4
No. of companies	51	6	55	7	62	8	70	9	71	10	69	10	71	11	70	11	78	13	89	15

(Continue)

Companies	1981		1982		1983		1984		1985		1986		1987		1988		1989		1990	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Total no. of companies	598	100	578	100	566	100	558	100	587	100	566	100	554	100	537	100	522	100	519	100
No. of companies per 1,000 inhabitants	1.6		1.6		1.5		1.5		1.6		1.5		1.5		1.4		1.4		1.4	
workers	159	27	116	20	103	18	99	18	167	28	151	27	106	19	132	25	126	24	138	27
workers	439	73	462	80	463	82	459	82	420	72	415	73	448	81	405	75	396	76	381	73
1–4 workers	324	54	320	55	319	56	320	57	263	45	252	45	292	53	256	48	228	44	214	41
5–9 workers	77	13	94	16	93	16	90	16	96	16	102	18	109	20	102	19	108	21	103	20
10–19 workers	24	4	30	5	31	5	31	6	43	7	37	7	26	5	28	5	41	8	46	9
20–49 workers	10	2	16	3	18	3	15	3	12	2	18	3	15	3	12	2	12	2	12	2
	4	1	2	0	2	0	3	1	6	1	6	1	6	1	7	1	7	1	6	1
Head of company: – 30 years	31	5	18	3	18	3	19	3	21	4	19	3	18	3	14	3	9	2	11	2
31–40 years	116	19	122	21	114	20	109	20	107	18	101	18	90	16	91	17	92	18	88	17
41–50 years	184	31	167	29	163	29	172	31	153	26	145	26	136	25	128	24	117	22	108	21
51–60 years	120	20	116	20	116	20	107	19	118	20	121	21	130	23	125	23	125	24	126	24
61–65 years	27	5	28	5	25	4	22	4	11	2	10	2	12	2	17	3	14	3	16	3
over 65 years	26	4	23	4	24	4	22	4	25	4	22	4	19	3	18	3	18	3	21	4
No. of companies	94	16	104	18	106	19	107	19	152	26	148	26	149	27	144	27	147	28	149	29

Level of training	Sector/ function	Hierarchical Status	Company	C.C.	No. of hours	Type of training	Training content	Training country	Months of training	Training designation
2 SGGR	TE	3	SI	04.100	8	EX	LOG	B	1	Salon des véhicules utilitaires
2 SGGR	TE	3	SI	04.100	8	EX	LOG	B	1	Salon des véhicules utilitaires
2 SGGR	SG	3	SI	04.100	8	SE	GE	L	3	Umdenken für den gewinnbringenden Umgang mit den richtigen Lieferanten
4 CE	TLG	3	SI	04.050	8	EX	TLG	F	3	Sima (Paris)
3 SG	TE	3	SI	04.100	8	VF	TE	L	3	Le vrai multiposte sur du PC et du Mini
2 CE	TLG	4	SI	04.020	16	CL	TLG	D	4	Verschleppung von Zusatzstoffen in Mischfutteranlagen
4 PC	TLG	4	CM	05.380	12	VF	TLG	D	4	
2 PC	TLG	4	CM	05.380	32	VF	TLG	D	4	
3 VI	TLG ST		CF	06.760	16	EX	TLG	NL	4	Macropak-Salon: machines, matières et systèmes d'emballage
2 VI	TLG ST		CF	06.760	16	EX	TLG	NL	4	Macropak-Salon: machines, matières et systèmes d'emballage
2 VI		2	CF	06.760	16	EX	TLG	NL	4	Macropak-Salon: machines, matières et systèmes d'emballage
3 VI	TE	3	CF	06.760	16	EX	TE	NL	4	Macropak-Salon: machines, matières et systèmes d'emballage
3 VI	TLG ST		CF	06.600	32	SE	TLG	D	4	Die moderne Kochpökelwarenherstellung
3 VI	P	4	CF	06.590	8	SE	MA	L	5	l'Habitudes de consommation dans l'alimentation
3 VI	TE	4	CF	06.730	8	EX	TE	B	5	Expochimie: réfrigération, chauffage, ventilation, climatisation, séchage
3 VI	TE	3	CF	06.730	8	EX	TE	B	5	Expochimie: réfrigération, chauffage, ventilation, climatisation, séchage
3 VI	TE	3	CF	06.760	8	CL	LOG	B	5	Material Handling: logistique, transport interne, emballages indust. stockage
3 VI	TLG ST		CF	06.760	8	PO	TE	B	5	ABB: porte ouverte centre robotique
3 VI	TE	3	CF	06.760	8	PO	TE	B	5	ABB: porte ouverte centre robotique
2 VI	TLG ST		CF	06.760	8	PO	TE	B	5	ABB: porte ouverte centre robotique
3 VI	TLG ST		CF	06.760	16	SE	TLG	D	6	Technologiemöglichkeiten der Qualitätsverbesserung bei Lebensmittelhaltbarmachung
2 PC	TLG	4	CM	05.380	16	VF	CO	D	6	
4 PC	TLG	4	CM	05.380	16	VF	CO	D	6	
4 SGGR	RH	2	CPS	04.100	24	CO	SO	D	6	DGFP Kongress Wiesbaden: Personalführung
1 VI	TE	6	SI	04.630	16	VF	TE	F	6	
1 VI	TE	6	SI	04.630	16	VF	TE	F	6	
4 VI	TLG ST		CF	06.760	48	CO	TLG	D	9	37th Intern. Congress of Meat Science and Technologie Congress
3 VI	TLG ST		CF	06.660	24	SE	TLG	D	9	Konservenherstellung
3 VI	TLG ST		CF	06.660	24	SE	TLG	D	9	Konservenherstellung

(Continued)

Level of training	Sector/ function	Hierarchical Status	Company	C.C.	No. of hours	Type of training	Training content	Training country	Months of training	Training designation
3 CE	TLG	4	SI	04.020	24	CL	TLG	D	9	Tagung fur Müllereitechnologie 1991
2 VI	P	4	CF	06.570	48	SE	TLG	D	9	Classification de carcasses de gros bovins
2 VI	P	6	CF	06.570	48	SE	TLG	D	9	Classification de carcasses de gros bovins
2 VI	P	2	CF	06.760	16	EX	TLG	D	10	Anuga: Weltmarkt fur Ernahrung
4 SGR	MA	0	CPS	06.760	16	EX	TLG	D	10	Anuga: Weltmarkt fur Ernahrung
4 VI	CO	3	CM	05.359	56	EX	CO	D	10	Anuga: Weltmarkt fur Ernahrung
2 VI	TLG ST		CF	06.760	16	EX	TLG	D	10	Anuga: Weltmarkt fur Ernahrung
4 SGR	MA	0	CPS	06.760	16	EX	TLG	NL	10	Slavakto: exposition internationale des bouchers
2 VI	TLG ST		CF	06.760	16	EX	TLG	NL	10	Slavakto: exposition internationale des bouchers
2 VI	P	2	CF	06.760	16	EX	TLG	NL	10	Slavakto: exposition internationale des bouchers
3 SGGR	TE	3	SI	04.100	8	FO	TE	B	10	Foire Maintenance 91 STTC Anvers
3 VI	TE	3	CF	06.760	8	FO	TE	B	10	Foire Maintenance 91 STTC Anvers
3 SGGR	TE	3	SI	04.170	4	PO	TE	L	10	Präsentation von Meß- und Prozeßgeräten
4 SGGR	TE	3	SI	04.100	4	PO	TE	L	10	Präsentation von Meß- und Prozeßgeräten
2 VI	P	2	CF	06.760	8	SE	TLG	D	11	Integration von PPS-Ultraschallklassifizierung
4 SGR	MA	0	CPS	06.760	8	SE	TLG	D	11	Integration von PPS-Ultraschallklassifizierung
2 VI	P	6	CF	06.570	4	SE	TLG	L	11	Ultraschallklassifizierung
2 VI	P	6	CF	06.570	4	SE	TLG	L	11	Ultraschallklassifizierung
4 SGGR	TE	2	SI	04.100	4	EX	TE	L	11	Automatisation industrielle
4 SGGR	TE	3	SI	04.100	4	EX	TE	L	11	Automatisation industrielle

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Definition of parameters for training analysis

Parameters

Sectors

CE	Cereals
FA	Flour
GR	Group
IC	Ice cream
LA	Milk
OE	Eggs
PC	Chemical products
SGGR	General group services
SU	Agricultural support
SY	Unions
VI	Meat

Functions

A	Administration
C	Commercial
CU	Communication
E	Despatch/distribution
LOG	Logistics
MA	Marketing
MAN	Management
OR	Organization
P	Production
RH	Human resources
SG	General services
SU	Agricultural support
SY	Union activities
TE	Technical support
TLG	Technological support

Training

S	0	
I	1	Lower level (CATP)
S	2	Higher level (Technician)
S	2	Higher level (ECG)
S	2	Higher level (Grammar school)
S	2	Master craftsman
S.I	3	Lower post-secondary (Bac + 1, 2, 3)
S.S	4	Higher post-secondary (Bac + 4 and above)

Hierarchical status

Management	0
Management	1
Management	2
Upper Management	2
Upper Management	3
Middle Management	3
Middle Management	4
Middle Management	4
Middle Management	4
Lower Management	5
Lower Management	5
Other	6
ST	Staff

Training content

A	Administration
CO	Commercial
GE	Management
JU	Legal
LOG	Logistic
MA	Marketing
OR	Organization
SO	Social
TE	Technical
TLG	Technological

Training form

AU	Other
CL	Colloquium
CO	Congress
CS	Evening classes
EX	Exhibition
FO	Fair
PO	Open door
SE	Seminar
ST	Course
VC	Client visit
VF	Supplier visit

Agrofood production oriented to human consumption – Agrofood sector (Central Paysanne Group)

	Employees and workers														
	Men					Women					Men and Women				
	Luxembourg	Foreign		Total foreign	Total men	Luxembourg	Foreign		Total foreign	Total women	Luxembourg	Foreign		Total foreign	Total employees
		Trans-border	Other				Trans-border	Other				Trans-border	Other		
Directors and upper management	2	–	–	–	2	Nil					2	–	–	–	2
Middle and lower management	19	5	6	11	30	1	–	1	1	2	20	5	7	12	32
Skilled workers (CAP minimum)	19	9	16	25	44	4	2	1	3	7	23	11	17	28	51
Unskilled workers	27	3	55	58	85	16	6	61	67	83	43	9	116	125	168
Total	67	17	77	94	161	21	8	63	71	92	88	25	140	165	253

Agrofood production oriented to human consumption – Luxlait Sector

	Employees and workers														
	Men					Women					Men and Women				
	Luxembourg	Foreign		Total foreign	Total men	Luxembourg	Foreign		Total foreign	Total women	Luxembourg	Foreign		Total foreign	Total employees
		Trans-border	Other				Trans-border	Other				Trans-border	Other		
Directors and upper management	7	2		2	9	1				1	8	2		2	10
Middle and lower management	29	3	2	5	34	15	2	2	4	19	44	5	4	9	53
Skilled workers (CAP minimum)	22	3	2	5	27						22	3	2	5	27
Unskilled workers	65	24	48	72	137	11	1	18	19	30	76	25	66	91	167
Total	123	32	52	84	207	27	3	20	23	50	150	35	72	107	257

Appendix 4

Collective bargaining agreements

LUXEMBOURG FEDERATION OF BREWERS

FEDERATION OF PRIVATE EMPLOYEES
INDEPENDENT FEDERATION OF WORKERS
AND MANAGERS
(FEP–FIT & MANAGERS)

ONOFHÄNGEGE GEWERKSCHAFTSBOND
LETZEBUERG
(OGB–L)

COLLECTIVE BARGAINING AGREEMENT OF
THE EMPLOYEES OF LUXEMBOURG
BREWERIES

This agreement is made between:

1. The Federation of Luxembourg Brewers, with its headquarters in Luxembourg, which acts on behalf of its members indicated below:

   Brasserie Battin, Esch/Alzette
   Brasserie de Diekirch, Diekirch
   Brasserie Nationale, Bascharage
   Brasseries Réunies de Luxembourg, Luxembourg
   Brasserie de Wiltz
   (anct. Brasserie Jules Simon), Wiltz

on the one hand, and

2. The Federation of Private Employees, Independent Federation of Workers and Managers (FEP–FIT and Managers), represented by:

   Mr. René Merten, National President
   Miss Carole Meyer, Management Advisor

and

3. the Onofhangege Gewerkschaftsbond Letzebuerg (OGB-L), represented by:

   Mr. Eugène Bausch, Union Secretary

on the other.

Scope

Article 1
This regulates the relations and the general conditions of work between the institutions mentioned above, members of the Federation of Luxembourg Brewers, and their permanent employees.

Article 2
In line with Article 5, § 2, of the Law of 12 June 1965, the conditions of work and remuneration of employees belonging to higher management are not covered by this agreement. This is also the case for employees paid wholly or partially on a commission basis.

Duration – Termination

Article 3
This agreement is concluded for a period of two years. The agreement will continue by tacit agreement from year to year unless advance notice is given by one or other of the parties, by registered letter, three months before its expiry.

In the case of termination the agreement will remain in force until a new agreement is signed between the contracting parties. In this case the contracting parties must, with a view to the setting of new conditions, commence negotiations six weeks before the original agreement expires.

The party terminating the agreement must attach to its letter of termination a new proposed agreement on the points subject to revision.

Recruitment

Article 4
The contract of employment between employers and employees, whether of limited duration, unlimited duration or on a trial basis, must be made in writing.

Two copies of the contract must be provided, the first for the employer, the second for the employee, and must specify:

a. the nature of the employment and the characteristics of the work to be carried out

b. the duration of the contract or an indication that it has been concluded, whether for an unlimited duration or on a trial basis

c. the initial wage and, should the need arise, the periodic increases, commissions or agreed contributions

d. the overriding or supplementary clauses which the parties have agreed

e. the classification along the lines of this agreement.

On commencing employment, each employee will receive a copy of the collective bargaining agreement.

Trial period

Article 5
The recruitment on a trial basis of an employee who is the holder of a secondary school leaving certificate, a certificate from a technical college of the Institute of Technical Education or an equivalent foreign technical college, or who has successfully taken part in a competition organised by the employer, as well as an employee who does not fulfil these educational requirements, will be regulated by the measures in Article 3 of the law of 24 May 1989 on contracts of employment.

Termination of contract

Article 6
The ending or the termination of a contract will be in accordance with the statutory measures in force. An employer who terminates a permanent contract of employment will inform the employees' representatives, either the president or the secretary, without delay.

1. Moreover, it is agreed in cases of hardship, that is to say in the case of the termination of contracts for employees over 50 years of age, that the union representatives can consult with the management to find the best solution for these special cases.

2. It is agreed to make provision in cases of hardship, for example when it is necessary to make older employees redundant, to hold discussions between the union and the management of the brewery concerned with a view to an additional severance payment.

Duration of work

Article 7
Outside the situations envisaged in Article 6 of the Law of 12 November 1971 concerning the laws regulating the statutory conditions of employment for staff in the private sector, the normal working week is of 40 hours duration, spread over 5 working days with closure on Saturdays. The daily working hours are set following discussions with the staff delegates.

The following days are designated as public holidays: New Year, Easter Monday, 1 May, Ascension Day, Whit Monday, National Day, Assumption Day, All Saints Day, Christmas Day and St. Stephen's Day.

All Souls' Day is not granted as a holiday unless it falls on a working day, that is to say if it falls on a Saturday, Sunday or on a holiday there is no entitlement to a day in lieu.

The following days are granted as holiday:

- The Monday of the local fair where the brewery is located or where the employee lives. If this day is already a holiday another day may be allocated following agreement between the management and the union.

- Carnival Monday.

However, it is agreed between the social partners that these two days will be taken into account if the statutory holiday entitlement is extended.

In addition, it is agreed to recommend to the management and the employees' unions of the breweries to discuss the possibilities – according to the particular conditions within each brewery – of eventually introducing a flexitime system.

Overtime work

Article 8
The employer may only request overtime in line with the statutory measures in force.

Annual holiday

Article 9
The employee is entitled to annual holidays in accordance with the statutory provisions

A transfer of holiday entitlement to the following year is only possible up to 1 April of that year. The holiday dates must be agreed with the management, who will take into account whenever possible the employees' wishes.

The breweries agree to grant full holiday entitlement to an employee who leaves the company and is permanently unable to continue his occupation due to accident, disability or retirement.

However, the employee concerned must have been in active employment with his employer (the brewery) on 31 December of the preceding year.

Extraordinary holidays

Article 10
An employee who is obliged to be absent from work for personal reasons is entitled to an extraordinary holiday as follows:

- according to requirements, for blood donors, to be agreed with the company delegation;

- one day for the death of a relative or relative by marriage of second degree;
- two days for the birth of child, the marriage of a child, moving house (a simple change of residence is not considered as a removal);
- three days for the death of a partner or a relative of first degree;
- six days for the marriage of the employee, all with full pay entitlement;

- relatives or relatives by marriage of first degree are:
  - grandfathers or grandmothers by marriage;
  - grandsons and granddaughters, parents or in-laws;
  - brothers, sisters, brothers-in-law and sisters-in law.

Employees' obligations

Article 11
Employees are obliged to put their occupational activities, their knowledge and their skills entirely at the service of their employer. They must keep strictly to the working hours laid down and follow the instructions of their superiors.

They must strictly observe trade secrets.

They may not have other paid work outside the brewery without having previously advised the management, who will decide, following consultation with the employees' union, whether this activity is compatible with the occupation of the brewery employee.

Classification of employees

Article 12
The breweries' employees are divided into four groups. The classification criteria are given in Appendix 1.

Studies completed have no bearing other than as an element of assessment at the start of a career, in the absence of other factors making up the criteria for each of these groups.

When various functions are assumed, it is the main function, carried out in order of priority, which determines the classification. When this variety is only occasional or temporary and does not extend beyond one year, it is the principle function which determines the classification.

On the introduction of this agreement each employee is informed in which group and on which level he is classified. Any subsequent modification to this classification is to be communicated to him without delay.

Each employee who has worked in Group Ib for 5 years has access to Group IIa on condition that he or she has no more than two negative written comments concerning his or her vocational abilities – notified to him or her in writing – in his or her personal file.

Article 13
This collective bargaining agreement ensures the principle of equal pay, that is to say that the regulations, and notably those relating to rates of pay, apply without sexual discrimination for identical services.

Remuneration

Article 14
The monthly remuneration of an employee is generally made up as follows:

1. basic wage according to classification on the salary scale
2. household allowance due.

The basic wage at the first level is increased annually until the age of 30 After the age of 30 the basic wage is increased biannually up to a maximum of 15 per group.

The figures provided in the table in Appendix II determine the minimum remuneration for male and female employees under the classifications in Appendix I.

All the remunerations shown are established on a base index of 100 and represent the minimum monthly rates of pay, the household allowance is not included.

All the rates of pay, as well as the household allowance, follow the variations of the index number according to the system applicable to rates of pay for civil servants.

The breweries which pay individual employees above the scale agree, whilst maintaining the employee in his group, to reclassify him or her under the heading of the fictitious age on the scale which corresponds exactly or as closely as possible to his actual rate of pay.

On this subject the social partners state that they are conscious of the fact that this method reduces the number of biannual increases for employees falling under this provision.

1. Each employee who receives a permanent disability pension and who is obliged to permanently discontinue his occupation, together with each employee who has reached the retirement age and who retires in accordance with the statutory provisions, is entitled to a bonus of LFR 900 for each year in which he or she has worked in the same brewery.

   This bonus is not payable if an employee continues to work in the company after 65 years of age.

On the death of an employee before the statutory retirement age the payment of this bonus will be made to his/her widow(er), child(ren), parent(s), brother(s) and sister(s).

In breweries granting a supplementary pension to their employees, whether or not this bonus is taken into account is a matter for discussion between the management and the union.

2. The remuneration scales are increased in the following manner:

from 01.07.91.	+ 2.5%
from 01.07.92.	+ 2.0%
from 01.01.93.	+ 0.5%

The annual and biannual rises are correspondingly increased on the same dates.

Methods of application of the scale

Article 16

1. 20 years old is considered as the starting age of a career. Employees under 20 but aged at least 18 receive half of the annual increase due at the age of 20: two-thirds at the age of 19, and the third part at 20.

   The rates of pay for employees under 18 years are set as follows:

15 to 16 years	60%
16 to 17 years	70%
17 to 18 years	80%

2. When an employee is recruited after the starting age for his career the difference between his actual age and the age of career commencement is taken into account. This difference is awarded as a seniority allowance:

   a. for the total time in the employment of a brewery
   b. for part of the time spent in employment other than in a brewery.

   The seniority allowance cannot exceed 12 years.

3. The date for annual pay increases is 1 January each year. Biannual rises are paid on 1 January of even years.

   For the method of calculation, which is to be agreed between the employer and his employees, when the first rate is set the lapse in time between the date of commencement of employment and the first payment date is taken into account.

4. The employer, in applying individual and exceptional disciplinary measures, may suspend an annual or biannual increase. The management will inform the party concerned and the president of the employees' union of the exact reasons for these measures.

5. An employee whose remuneration, before the entry into force of the agreement, is higher than that provided by the minimum scale established before, will benefit in future from annual and biannual increases for the group in which he is classified until he has reached the ceiling.

Household allowance

Article 17

From 1 January 1982 married and widowed employees of either sex are allocated a household allowance rising to LFR 1,250.00 (index no. 100).

Unmarried employees over 28 years of age are entitled to 60% of this allowance.

The household allowance is due from the first day of the month in which the marriage took place and, as far as unmarried employees are concerned, from the first day of the month in which they reached the age of 28.

With the introduction of this household allowance all other allowances, however, generally paid by the breweries are discontinued.

Thirteenth month and bonus

Article 18

The employee is entitled to an allowance, called the "thirteenth month", or bonus which cannot be less than the remuneration payable by the employer to the employee for the last month of the year. It is payable in line with normal practice.

When an employee leaves his employer during the year he is entitled to as many twelfths as the number of months he has worked during the current year.

Article 19

The breweries grant the employee two litres of beer free of charge per working day. A case of beer is granted to pensioners of the brewery on the occasion of the local fair, Easter and Christmas.

The entitlement to free beer comes into force after 3 months of employment.

Remuneration of overtime and night work

Article 20

Remuneration is payable in accordance with the relevant statutory provisions.

Diverse provisions

Article 21
Any advantages acquired by the employee before the entry into force of the current agreement cannot be repealed.

Article 22
In as much as the relationships and the general conditions of work are not governed by the current agreement, the statutory provisions will prevail.

Article 23
Any difficulties in applying the current agreement are to be regulated between the employer and the employees' union.

In the case of disagreement these difficulties will be regulated by the contracting parties to this collective bargaining agreement.

Article 24
This collective bargaining agreement will come into force on 1 July 1991.

Signed in quadruplicate in Luxembourg on 9 December 1991

FEDERATION OF LUXEMBOURG BREWERS

Mr. G. KRIER
President

FEDERATION OF PRIVATE EMPLOYEES
INDEPENDENT FEDERATION OF WORKERS AND MANAGERS
(FEP–FIT and Managers)

Mr. R. MERTEN
National President

Miss C. MEYER
Management Advisor

ONOFHÄNGEGE GEWERKSCHAFTSBOND LETZEBUERG (OGB-L)

Mr. E. BAUSCH
Union Secretary

Annex I

Classification of employees in the Luxembourg breweries

Group I

Criteria: undertaking simple secondary tasks and following methods and procedures already established

Education: primary or upper primary, secondary without school-leaving certificate, or equivalent

This group comprises two sub-groups:

a. beginners without vocational training
b. employees in Group Ia with 3 years' experience

Access to Group Ib may be granted to employees in Group Ia who distinguish themselves by their work, their enthusiasm and their application.

Each employee who has worked in Group Ib for 5 years has access to Group IIa on condition that he has no more than two negative written comments concerning his vocational abilities – notified to him in writing – in his personal file.

Group II

Criteria: undertaking work with a limited amount of responsibility under direct and continuous supervision

Education: admission to the 3rd class of secondary education (classic and technical), final apprenticeship exam leading to certificate of vocational aptitude of vocational education, equivalent studies

This group is divided into two groups:

a. workers carrying out simple tasks
b. workers carrying out more varied tasks

After 5 years work in Group IIa the employee is entitled to automatic promotion to Group IIb.

Group III

Group III comprises two sub-groups:

a. Criteria: carrying out work independently which requires both thought and initiative

Education: secondary school leaving certificate, equivalent studies

b. Criteria: carrying out work independently which requires both thought and initiative and taking some responsibility for the task

Education: secondary school leaving certificate, equivalent studies

Group IV

Criteria: carrying out work independently which requires both thought and initiative and taking full responsibility for its execution

Education: secondary school leaving certificate, university studies, equivalent studies

Annex II

Minimum pay scale for employees of Luxembourg breweries as of 1 July 1991 (Index No. 100)

Fictitious age	Group Ia	Group Ib	Group IIa	Group IIb	Group IIIa	Group IIIb	Group IV
20	8,978	9,560	11,235	12,053	13,627	14,989	17,410
21	9,262	9,851	11,556	12,410	14,030	15,392	17,813
22	9,546	10,143	11,876	12,767	14,432	15,795	18,215
23	9,830	10,434	12,197	13,124	14,835	16,197	18,618
24	10,114	10,726	12,518	13,481	15,238	16,600	19,021
25	10,398	11,017	12,838	13,839	15,640	17,002	19,423
26	10,682	11,309	13,159	14,196	16,043	17,405	19,826
27	10,966	11,600	13,479	14,553	16,446	17,808	20,229
28	11,250	11,892	13,800	14,910	16,848	18,210	20,631
29	11,534	12,183	14,121	15,267	17,251	18,613	21,034
30	11,818	12,475	14,441	15,625	17,653	19,016	21,437
31	11,818	12,475	14,441	15,625	17,653	19,016	21,437
32	12,138	12,795	14,798	15,982	18,056	19,418	21,839
33	12,138	12,795	14,798	15,982	18,056	19,418	21,839
34	12,459	13,116	15,156	16,339	18,459	19,821	22,242
35	12,459	13,116	15,156	16,339	18,459	19,821	22,242
36	12,780	13,436	15,513	16,696	18,861	20,223	22,644
37	12,780	13,436	15,513	16,696	18,861	20,223	22,644
38	13,100	13,757	15,870	17,053	19,264	20,626	23,047
39	13,100	13,757	15,870	17,053	19,264	20,626	23,047
40	13,421	14,078	16,227	17,411	19,666	21,028	23,449
41	13,421	14,078	16,227	17,411	19,666	21,028	23,449
42	13,741	14,398	16,584	17,768	20,069	21,431	23,852
43	13,741	14,398	16,584	17,768	20,069	21,431	23,852
44	14,062	14,719	16,942	18,125	20,471	21,834	24,254
45	14,062	14,719	16,942	18,125	20,471	21,834	24,254
46	14,383	15,039	17,299	18,482	20,874	22,236	24,657
47	14,383	15,039	17,299	18,482	20,874	22,236	24,657
48	14,703	15,360	17,656	18,839	21,276	22,639	25,059
49	14,703	15,360	17,656	18,839	21,276	22,639	25,059
50	15,024	15,681	18,013	19,197	21,679	23,041	25,462
51	15,024	15,681	18,013	19,197	21,679	23,041	25,462
52	15,344	16,001	18,370	19,554	22,081	23,444	25,865
53	15,344	16,001	18,370	19,554	22,081	23,444	25,865
54	15,665	16,322	18,728	19,911	22,484	23,846	26,267
55	15,665	16,322	18,728	19,911	22,484	23,846	26,267
56	15,985	16,642	19,085	20,268	22,887	24,249	26,670
57	15,985	16,642	19,085	20,268	22,887	24,249	26,670
58	16,306	16,963	19,442	20,625	23,289	24,651	27,072
59	16,306	16,963	19,442	20,625	23,289	24,651	27,072
60	16,627	17,284	19,799	20,983	23,692	25,054	27,475
Basic	8,978	9,560	11,235	12,053	13,627	14,989	17,410
Annual increase	284	292	321	357	403	403	403
Biannual increase	321	321	357	357	403	403	403
End of career	16,627	17,284	19,799	20,983	23,692	25,054	27,475

3.

Collective bargaining agreement

between
the AGROCENTER
on the one hand and
the Union Commission for Contracts
for the "Letzebuerger Chrëschtlechen Gewerkschaftsbond" (LCGB)
and the "Onofhängege Gewerkschaftsbond Lëtzebuerg" (OGB-L)
on the other

Objective and scope

Article 1 – Objective

1.1 This collective bargaining agreement provides – with a view to safeguarding social harmony – for the uniform regulation of working conditions and remuneration of the employees of the Agrocenter and seeks to improve the quality of life of the employees of the said company, taking into account the developments in the economic situation.

Article 2 – Scope

2.1 This agreement applies, on the one hand, to the company designated in 1.1, hereinafter called the employer, and, on the other hand, to skilled, semi-skilled and unskilled workers employed there, hereinafter called the employees.

2.2 The conditions of work and of remuneration applicable to young employees under the age of 18 are in principle governed by the provisions of the Law of 28 October 1969 unless the current agreement provides more favourable conditions.

2.3 Remuneration of employees is regulated by the provisions of Article 19 of the EEC Treaty according to which equal pay for the two sexes is obligatory.

Employment and dismissal

Article 3 – Recruitment and trial period

3.1 Notwithstanding the provisions of this agreement, relations between the employer and employees are, in principle, governed by the Law of 24 June 1970 regarding the employment contract and statutory provisions.

3.2 All employment of the workforce is curried out in accordance with the Employment Authority and in accordance with the statutory provisions in force.

3.3 Employment becomes permanent at the end of a trial period. Recruitment on a trial basis must be stipulated in weeks; the said period must not be longer than six weeks.

3.4 If, after the agreed trial employment period, neither of the contracting parties has revoked the agreement, this is considered to be permanent with effect from the date of employment on a trial basis.

3.5 The period of notice following the trial period shall be the number of days equal to the number of weeks of the trial employment. The contract of employment on a trial basis is not renewable.

Article 4 – Dismissal and periods of notice after the expiry of a trial period

4.1 Before any dismissal of an employee, the president of the employees' union or his deputy must be informed and, if necessary, consulted.

4.2 Each of the two parties may, in principle, terminate the contract of employment; in this respect. The following periods of notice should be observed:

a. by the employee: 2 weeks
b. by the employer: 4 weeks for less than 5 years service
8 weeks for 5 to 9 years service
12 weeks after 10 years service

4.3 In the case of notice being given by the employer mentioned above, the employee is entitled to the following severance compensation:

a. for more than 5 and less than 10 years service:
1 month's remuneration
b. for 10 to 15 years service:
2 month's remuneration
c. over 15 years service:
3 month's remuneration

4.4 During the period of notice the employee may claim up to eight hours leave to seek a new job. If the employer has terminated the contract of employment he must pay these hours of leave providing the employee concerned has registered as seeking work with the Employment Authority.

4.5 In principle, an employer may not proceed with a dismissal without valid reasons or in the case of an infringement of the regulatory or contractual provisions.

4.6 Within the 14 days the employee may request a reason for dismissal. The employer is obliged to give him a written reason within eight days.

4.7 The party having revoked the contract of employment without having been authorised

by the statutory or contractual provisions or without having conformed to the periods of notice cited owes the other party an indemnity corresponding to the remuneration of the period of notice not observed.

4.8 The employee may terminate the contract of employment in writing or verbally, while the employer may only do so in writing and by registered letter.

4.9 The cancellation of a contract of employment may equally be carried out by mutual agreement.

4.10 A plea regarding unjustified dismissal must be made within three (3) months of receipt of the communication advising the reason relating to the dismissal. Litigation concerning the contract of employment and dismissals must be referred to an industrial tribunal.

Article 5 – Termination without notice

5.1 The contract of employment may be rescinded with immediate effect for serious reasons or breaches, with the obligation – for the party having provoked the rescindment of the contract – to pay any resultant damages. Termination without notice must be made by registered letter within three working days; this letter must state the reasons for dismissal without notice.

5.2 Dismissal without notice may, for example, be made by the employer following consultation with the chairman of the employees' union, if the employee:

a. obtained his employment on the basis of false documents/certificates or forged documents/certificates;
b. is found guilty of dishonest acts or acts contrary to good practice in the workplace;
c. by manifest negligence or, despite warning, intentionally places at risk the security of the company, its running or that of his colleagues or if he causes physical damage to anyone;
d. uses gross insolence or assault with respect to his superiors or if he is guilty of assault with respect to his colleagues in the workplace;
e. causes material damage to the company; if he reveals trade secrets or encourages/incites others to do so;
f. is absent without permission and without valid reason for 3 consecutive days or if he is guilty – despite warning – of repeated unauthorised absence;
g. refuses to carry out instructions relating to his work, and justified by the scope of his duties, given to him by his superior, or if he incites and encourages his colleagues not to carry out instructions;
h. undertakes his work whilst inebriated or under the influence of drugs, if he brings alcoholic beverages into the workplace, if he smokes in an area where there is a "no smoking" sign;
i. despite a written warning, arrives several times consistently late at his workplace;
j. leaves work without valid reason and if his presence is seriously missed at his workplace and if he is found to be in infringement of the correct carrying out of the regulatory and contractual provisions.

5.3 The employee may indicate his departure without notice for example:

a. if, without any fault on his part, he is incapable of continuing his work;
b. if his superior is guilty of assault or dishonest acts with respect to him;
c. if he is expected to carry out dishonest acts;
d. if he considers, in a general way, that the provisions of the current collective agreement do not meet his needs.

5.4 The examples quoted in 5.2 and 5.3 are not exhaustive.

Article 6 – Restrictions of notice and supplementary provisions in case of dismissal

6.1 The employer cannot proceed with the dismissal of an employee:

a. for an activity relating to the carrying out of the current collective agreement;
b. for membership of an employees' union;
c. for a propaganda activity outside the company, to the extent that the security of the said company is not disrupted;
d. for an incapacity to work due to an illness or a work accident, this not before 26 weeks.
This provision is not applicable if the illness or the work accident are the result of an infringement in which the employee has voluntarily participated.
e. for participation in a legal strike.

6.2 It is forbidden for the contracting parties to resort to means of pressure likely to impede / hamper the freedom of coalition of an employee.

6.3 At the time of his departure, personal papers will be returned to the employee concerned; they will be accompanied by a certificate indicating the duration and nature of his employment. This certificate will not contain any negative comments regarding the employee in question.

6.4 Before any collective redundancy or the introduction of redundant posts due to a reduction in the running of the company, complete stoppage of operations or lack of work, the employees' union and the Union Committee for Contracts must be informed and consulted in adequate time.

6.5 In case of redundancies for the reasons cited in 6.4, the relevant statutory provisions must be complied with (Article 12, § 2 and 3 of the Grand Ducal Decree of 30 June 1945, modified by the Law of 24 June 1970).

6.6 Collective redundancy is considered as the simultaneous dismissal – within 30 days – of more than 10 employees.

6.7 Employees dismissed due to lack of work will be given priority in recruitment for a period of one year.

6.8 The contract of employment will be legally terminated if the employee has legally reached the age limit or if, by reason of disability, is entitled to a legal pension. The anticipated pension is not considered as a pension in the sense of the current provision.

6.9 The contract of employment is considered as terminated with immediate effect in the case of the cessation of trade following the death, incapacity to work or bankruptcy of the employer. In the aforementioned cases, the employee is entitled to remuneration comprising the current month and the following month. In addition the employee will receive compensation amounting to one half of the monthly remuneration corresponding to the short notice as long as the total compensation sum does not exceed the monthly remuneration for lack of notice set in Article 4.2b. Otherwise, the relevant statutory provisions are applicable.

Regulation of remuneration

Article 7 – Salary structure

7.1 Pensions of whatever type, provided that they do not exert any influence on the capacity to work, are not taken into account in the determination of salaries due.

7.2 A full-time employee is considered as any employee over the age of 18 fully capable of undertaking normal work. This regulation does not exclude, however, adolescents under the age of 18 who are equally considered to be full-time employees.

7.3 To the extent that a salary does not exist for a disabled employee, an adolescent or an apprentice, for whom a special set of provisions exist, the salary comprises a basic wage, or a basic wage and a bonus, or a piecework wage.

7.4 To this should be added allowances for overtime, Sunday and holiday working, night work and other supplements.

7.5 Special allowances are made for jobs considered, by their nature, to be dangerous, unhealthy or excessively dirty. The application of these aforementioned allowances is decided on a case by case basis by the management after discussion with the departmental manager concerned. These provisions are an integral part of this collective bargaining agreement.

7.6 The classifications applicable to the various work stations together with the salaries and allowances are summarised in an appendix which is an integral part of this collective bargaining agreement.

Article 8 – Salary adjustments

8.1 A reduction in the salaries in force is not possible except under the following conditions:

a. in case of modifications to working methods, working conditions or installations;
b. in case of obvious calculation errors.

8.2 In all cases the employees' union should be informed in advance and consulted, if necessary together with the Union Committee for Contracts.

Article 9 – Regulation of remuneration in case of transfer

9.1 If a job classified in a higher salary category is temporarily carried out by an employee he will receive at least the basic salary applicable in that category, on condition that the duration of the transfer exceeds one working week.

9.2 If an employee is temporarily transferred to a job classified in a lower job category, he will continue to receive the salary paid prior to his new work station.

9.3 In the case of a transfer outlined in Article 9.1, a notice of termination of the salary upon return to the original post cannot be effected if the employee concerned has worked in the higher remunerated post for more than six months.

9.4 Whilst waiting for the notice of termination to be issued and during the relevant delay of notice, the employee will continue to receive the basic salary applicable to his previous activity.

9.5 If a notice of termination is issued, notice of termination for which the delay commences as a general rule on the day of the transfer, the following times of notice are applicable:

a. length of service less than 5 years: 4 weeks;
b. length of service 5 to 10 years: 8 weeks;
c. length of service more than 10 years: 12 weeks.

9.6 In the case of permanent transfer to a lower salary category, whether following illness, disability or on the request of the employee, the management of the company will decide on a case by case basis the salary sum applicable. This will be after discussion with the chairman of the employees' union.

Article 10 – Regulation of remuneration in case of disturbances in the company

10.1 In the case of disturbance of service due to a power failure, repair works, lack of raw materials or fuel, breakdowns in equipment, storm, failure of the power units, lighting, heating, water supply, etc. the management of the company will do its best to find – as far as possible – another job for the employees who are unable to carry out their normal tasks.

10.2 If during a shift – for reasons described in the preceding paragraph – the whole of the company, certain departments or work stations have to stop work completely, restrict or interrupt their work, full salary is payable for the period of the interruption, unless it is decided to put back the shift in order to recuperate the hours of work lost; this deferment will be set by agreement between the management and the employees' union.

10.3 This deferment is assessed with normal hours of work, without premiums for overtime hours, although other allowances are applicable. Otherwise, the provisions of the law on the regulation of working duration are to be taken into account.

Article 11 – Regulation of the remuneration of young people

11.1 In accordance with the law on the protection of young employees of 28 October 1969 and conforming with Article 2.2 of the current collective agreement, young employees are classified as all young people of both sexes under the age of 18 working as employees, whether as apprentices or within the framework of their vocational training.

11.2 Concerning the remuneration of apprentices, training in a recognised occupation under an apprenticeship contract, the relevant statutory provisions are, in principle, applicable.

11.3 After the age of 18 young employees carrying out the same work as an adult employee are entitled to the same rate of pay as an adult employee in that post.

11.4 Taking into account the salary paid to an adult employee carrying out similar work on the same work station, young employees under the age of 18 are paid the following minimum rates:

a. young employees between 17 and 18: 80%
b. young employees between 16 and 17: 70%
c. young employees between 15 and 16: 60%

11.5 In general the benefits for overtime, Sunday and holiday work together with night work are not allowed to be paid to young employees, with the exception of the dispensations provided in the relative legislation. For the work in question, the special premiums for overtime work provided should be applied.

Article 12 – Payment of salaries

12.1 The calendar month is considered as the salary period. The payment of salaries is made in accordance with an agreement made between the management and the employees' union, to a salary account with the Caisse centrale des Associations agricoles (Central bank for agricultural associations). Otherwise the relevant provision of the legislation regulating the payment of salaries should be observed.

12.2 If the agreed pay day falls on a non-working day, the payment of salaries should be made on the preceding working day.

12.3 The employee must be provided with a payslip indicating, separately, the number of normal working hours and overtime hours, normal salary and remuneration for the overtime work, allowances and deductions. The payslip should be designed in such a way that the employee can easily understand it and, if the need arises, have his remuneration adjusted.

12.4 Payment errors should be corrected no later than the next pay date. Claims regarding such errors cannot be granted unless they are made immediately.

3.

Article 13 – Adjustment of remuneration to the cost of living index

13.1 Adjustment of salaries in accordance with changes in the cost of living are made in accordance with the relevant statutory provisions.

Duration of work

Article 14 – Duration of work and division of the duration of working

14.1 The duration of work is regulated by the relevant statutory provisions. The basic working week is considered to be 40 hours. It is divided according to the requirements of the service.

14.2 Taking into account the statutory provisions in force and following discussion with the employees' union, the employer may – in the case of urgent service requirements – introduce different working hours from the normal working hours by a respective lengthening or adjustment of the normal working hours.

14.3 Employees are expected to conform to the work schedule set and to start work promptly. Regarding any absence from work, the management, in particular the immediate superior, should be informed and permission should be requested in advance. The time necessary to change clothes is not included in working time. A ten minute break is granted, according to service requirements, during working time. The following are also considered as working hours:

a. annual holidays and public holidays
b. interruptions to working hours remunerated in accordance with this collective bargaining agreement.

Article 14b – Compensation for breakdown service

14.b.1 If, after having left his work station following normal hours and having left the company's premises, an employee is recalled – without prior warning – for work requirements, he is entitled to receive a special allowance for this non-scheduled work as follows:

- LFR 400.00 during night hours (22.00–06.00)
- LFR 250.00 during the remaining hours

14.b.2 In addition, the whole of this additional work is to be remunerated with all the supplements due in accordance with Article 16. Each half-hour commenced shall be counted as a full hour.

Article 15 – Overtime

15.1 Overtime is considered as all work undertaken outside the normal working week stipulated in the statutory provisions.

15.2 Overtime, together with Sunday and holiday work, may only be undertaken in the situations and within the limits set by the relevant legislation. Unplanned but essential overtime with regard to the good running of the service may be undertaken at the management's request providing an agreement has been made with the employees' union.

15.3 In principle overtime cannot be refused if it involves repair and maintenance work essential to maintain the good running of the service or to achieve production. Otherwise, the provisions of the law on the regulation of the duration of work apply.

15.4 Collective overtime over a prolonged period of time is not permitted under an agreement between the Inspection du Travail et des Mines (Inspector of Labour and Mines) and the employees' union.

15.5 Sunday work is considered to be work undertaken on a Sunday between 00.00 and 24.00 hours. Night work is considered to be work undertaken at night between 22.00 and 06.00 hours.

15.6 No supplement is payable for night work, as a hardship allowance or for dirty work.

15.7 Special allowances are payable for work considered to be of a dangerous, unhealthy or excessively dirty nature. The application of allowances is decided on a case by case basis by the management, following consultation with the department manager concerned.

Article 16 – Allowances for overtime, Sunday work and night work

16.1 Allowances are paid as follows:

a. overtime:	25%
b. Sunday work:	60%
c. scheduled night work:	15%

Article 17 – Calculation of allowances

17.1 In the case of several allowances being applicable, the highest allowance is paid. The allowance due for night work is also paid on Sundays and public holidays, on the understanding that it is calculated on the basis of the normal salary.

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Article 18 – Statutory holidays

18.1 The granting and payment of statutory holidays is in accordance with the relevant Law of 10 April 1976.

18.2 The following are considered as statutory holidays and remunerated accordingly: New Year, Easter Monday, 1 May, Ascension Day, Whit Monday, National Day, Assumption Day, All Saints' Day, the 1st and 2nd days of Christmas.

18.3 The right to payment for a statutory holiday is lost if the employee:

a. through his own fault did not work on the day before or the day after the holiday in question;
b. was absent, even for valid reasons, without previous notification for more than three (3) days within the 25 working days before the holiday in question.

18.4 The employee is entitled to payment of the equivalent of the normal number of hours worked on a working day for a statutory holiday. This also applies to statutory holidays which fall on a Sunday or when days in lieu are granted.

18.5 If a statutory holiday or a day in lieu of a holiday falls on a working day on which – in accordance with contractual provisions – the employee concerned would not have worked, he is entitled to a compensatory day's holiday.

18.6 If special conditions relating to the running of the service do not permit the company to be at a standstill on the statutory holidays mentioned in Article 18.2, the employee concerned is entitled on that day – in addition to the allowances provided in Article 18.4 – to payment of the hours undertaken with a premium of 100%.

Holidays and interruptions of work

19.1 The annual holiday is in accordance with the regulations of the relevant Law of 22 April 1966, amended and supplemented by the Law of 26 July 1975. The annual holiday entitlement is 25 working days (based on a 5 day working week) for all employees. The calendar year is considered to be the holiday year. Holiday entitlement is due after 3 months' service.

19.2 The holiday will be granted, wherever possible, in one or two periods between 1 January and 31 December. The setting of a collective holiday will be made in agreement with the employees' union and communicated to the workforce no later than the first quarter of the current year.

19.3 Additional holiday entitlement for the war disabled, industrial accident victims and handicapped people is regulated by Article 4, § 5 of the law relating to annual holidays.

19.4 An employee may be refused holiday leave if his non justifiable absences from work exceed, during the year which has elapsed, ten per cent (10%) of the normal working duration.

19.5 The following are not considered as unjustified absences in terms of the previous article but as effective working days:

a. absences following illness or accident in cases where they are not the fault of person concerned or the result of an infringement;
b. absences which have been notified to and regularly authorised by the employer;
c. legal strike days;
d. statutory holidays and other agreed absences within the framework of the current contract.

19.6 If the contract of employment is terminated during the current year, the employee concerned is entitled to one-twelfth of his annual holiday entitlement per month of employment, regardless of the statutory or contractual provisions relating to notice of termination of employment.

19.7 If after termination of a contract of employment a new contract is concluded within three months, the party concerned will not lose his statutory annual holiday entitlement.

19.8 Remuneration for holidays is made in accordance with statutory provisions.

Article 20 – Interruptions of paid work

20.1 When an employee has to interrupt his work following an accident which has occurred with the company and involving his total inability to work, or in the case of the rescue or transport of an injured employee in the company, then the statutory provisions of the employees' health insurance office valid from 1 January 1979, Chapter III, Articles 3 and 9, come into force at the time of the administrative enquiry into accidents which occurred in the company.

20.2 When an employee is unable to carry out his work due to a legal summons (unless he has prior notice or is party to the proceedings) or the performance of public or civic duties, the time lost will be paid to him.

20.3 Public and civic duties are defined (among other things) as:

- participation (as an effective member or deputy) in the proceedings of the Economic and Social Council, the National Arbitration Committee, the Chamber of Work, the administrative bodies of the National Insurance, Parliament, Community Councils and the Apprenticeship Examining Board, subject to the rights of the employer in Article 11 of the Law of 22 April 1966, amended and supplemented by the Law of 26 July 1975.

Article 21 – Extraordinary leave

21.1 In certain instances, if the employee – for family reasons – is unable to attend work, he is entitled to additional leave according to the provisions of the law governing holiday entitlement.

21.2 This extraordinary leave is granted as follows:

a. 1 day: in the case of the death of grandparents (of either side), grandchildren, brothers, sisters, brothers-in-law and sisters-in-law;
b. 2 days: childbirth, marriage of a child or moving house (moving to another furnished room or to into a partner's apartment upon marriage does not constitute a house removal);
c. 3 days: in the case of the death of a partner, parents, parents-in-law, children, sons-in-law, daughters-in-law;
d. 6 days: on the occasion of the employee's marriage.

21.3 In cases where the above mentioned coincide with an absence due to illness there is no entitlement to extraordinary leave.

21.4 If the events detailed in a) to c) occur during the annual holiday they are to be considered as absences from work leading to entitlement to compensation.

21.5 Extraordinary leave cannot be taken except at the time of the event leading to entitlement and the management of the company must be informed as soon as possible in all cases. If an extraordinary leave day falls, however, on a Sunday, a statutory holiday, a free working day or a rest day, the day's leave in question should be carried over to the first working day immediately following the event or the period of extraordinary leave.

21.6 The entitlement to extraordinary leave is not subject to the three-month waiting period covered by Article 19 of this collective bargaining agreement.

Special Provisions

Article 22 – Tools

22.1 The necessary tools and measuring instruments are provided by the company. The employee is responsible for the tools and instruments which are placed at his disposal: if these have been used correctly, they will be replaced free of charge in exchange for those which have become unusable providing this is not the fault of the employee concerned.

22.2 Tools and measuring instruments must be controlled at all times. In the case of transfer to another post or in the case of termination of a contract of employment, the employee must return the tools and the measuring instruments to his superior.

22.3 Work clothes, suitable for the work of the company, are provided free of charge. Their cleaning and repair are the responsibility – unless there are provisions to the contrary – of the employee concerned.

22.4 In general, according to the respective department and division, the company provides free of charge – for work with rubber – sabots, work clothes as well as washing and cleaning products, in line with the provisions currently in force.

Article 23 – Accident prevention and health protection

23.1 The employer is obliged to take, in accordance with the relevant provisions, all steps necessary for the protection of the lives and health of the employees as well as for the prevention of accidents.

23.2 For their part the employees are obliged to strictly adhere to all the relevant instructions in order to carry out their work without accident.

23.3 All employees must undergo, once a year, obligatory examination by the state health service. These examinations must not involve any loss in salary. The management of the company may, in addition, demand extra health checks if these are considered necessary in the interests of production and hygiene. The cost of these extra checks is borne by the company.

23.4 Premiums – awarded for particularly dirty work as well as the carrying out of strenuous or dangerous work – cannot be considered as compensation for the dangers and risks to the life and health of the employee

concerned. The setting up and the strict observation of an efficient accident prevention scheme together with healthy working conditions constitute, as in the past, the prime steps to take.

23.5 The management is obliged to provide showers and washing facilities for its workforce; the employees, for their part, are obliged to use these facilities in order to guarantee an impeccable standard of hygiene within the company.

23.6 Employees, who following an accident or illness are unable to fully perform their previous tasks will – as far as possible – be assigned another job corresponding to their mental and physical capabilities.

Article 24 – Salary penalties and retentions

24.1 Penalties involving a loss of salary are to be reported to the chairman of the employees' union.

24.2 The provisions of the relevant Law of 11 November 1970 are applicable with regard to the transfer and seizure of salary. Retention of salary for payment of possible taxes affecting the salary through statutory or contractual provisions may not be more than 10% per month of the monthly salary.

Penalties for material damages occurring through malevolence or due to disregarding instructions are not included in this regulation.

24.3 Salary will only be retained in justifiable circumstances and will be accounted for separately on the payslip.

Article 25 – Notification of absence

25.1 Employees who for personal or other valid reasons – not recognised as absences for which compensation is due under Article 20 of the current agreement – are unable to attend work are obliged to inform their immediate superior and the management without delay, at the latest two hours after the normal commencement of work, taking care to indicate the reasons and the envisaged period of their absence, unless for valid and independent reasons on the part of the employee concerned a notification in adequate time was not possible.

25.2 In the case of illness, a medical certificate must be received by the company at the latest within three days.

Article 26 – Bonus

26.1 In the case of successful trading results, the management may pay bonuses in accordance with a method taking into account seniority of service and personal efficiency. These are of an optional nature and constitute recognition by the company of its workforce.

26.2 This is the case for all other special payments possible on the part of the company, such as the special family allowance for example.

Article 27 – Holiday pay

27.1 For the duration of this collective bargaining agreement the management will pay an annual holiday payment of LFR 2,500.00. The payment is generally made with the June salary.

27.2 Employees who, on 30 June each year, have worked continuously for the company for at least twelve months, are entitled to this payment.

27.3 Employees who leave the company before the payment date lose their entitlement to this bonus, except in the case of retirement due to age or disability. Otherwise, payment is not made if the employee's contract of employment is terminated at the date of the payment.

27.4 The holiday payment may be reduced or even cancelled due to reasons of absence, as follows:

a. for a period of absence without reason (Bloen):
reduction of 50%;
b. for two periods of absence without reason (Bloen):
cancellation of bonus.

27.5 The following are not considered as periods of absence in terms of Article 27.4:

a. statutory annual holiday (in accordance with Article 19 of the agreement);
b. paid interruptions of work (in accordance with Article 20 of the agreement);
c. extraordinary leave days (in accordance with Article 21 of the agreement);
d. absences certified by a doctor as absences due to illness or industrial accidents occurring within the company.

Article 28 – Union representation

28.1 With regard to union representation of the employees, the provisions of the Law of 18 May 1979 are applicable.

28.2 The chairman of the employees' union, or his deputy, is the mediator between the management and the workforce. In the execution of this role he must not be subject to any loss of salary.

28.3 The employees' union will submit to the management all employee claims and complaints concerning working conditions and remuneration together with questions relating to the carrying out and regulatory provisions of the current agreement.

28.4 The employees' union will have at its disposal an office equipped with furniture and materials necessary for the president and secretary to carry out their administrative tasks.

28.5 With the agreement of the management the employees' union may attach copies of minutes of union meetings and other relevant publications to the notice board provided for this purpose.

28.6 The committee members of the employees' union are subject to the regulations of the company; they cannot be dismissed because of their union work.

28.7 In the case of the suspension of a union committee member the provisions of the Law of 18 May 1979 are applicable.

Article 29 – General information

29.1 In the interests of cooperation between the employer and the workforce, the management of the company is to periodically inform the employees' union on company operations and developments, matters relating to the workforce, etc.

29.2 Before the appointment of a team leader the chairman of the employees' union should be informed; the nomination should, furthermore, be made public for the employees' information.

Final provisions and duration of the agreement

Article 30 – Control of internal order

30.1 The provisions for the control of the workshop or internal order cannot contravene this agreement. Special agreements, contrary or less favourable to the spirit of this agreement, are inadmissible.

30.2 This agreement does not depart from the more advantageous conditions of remuneration in force at the time of signature.

30.3 In addition to the provisions of this agreement, the relevant, current or future, statutory provisions and directives in force should be observed.

Article 31 – Execution and interpretation of the agreement
Arbitration of conflicts

31.1 In order to maintain social harmony, which is an essential interest for both contracting parties, they will endeavour to resolve in all sincerity and loyalty all the major differences likely to occur, in terms of the following provisions.

31.2 The contracting parties undertake to maintain social harmony in its entirety and, with this in mind, to renounce – for the duration of the agreement – all disruptive work influences, and in particular all reprisals or contractual steps such as, for example, strikes or lock-outs.

31.3 Conflicts resulting from the execution and the interpretation of the current agreement are to be resolved, wherever possible, between the company union committee and the management, with redress, should the need arise, to the Union Contracts Committee.

31.4 The contracting parties undertake to examine objectively all outstanding questions and to endeavour to reach agreement.

31.5 Conflicts and difficulties in terms of the preceding paragraph for which the contracting parties are unable to find a solution will be submitted to the National Arbitration Board, in accordance with the procedure laid down by the Grand Ducal Decree of 6 October 1945.

31.6 Unilateral infringements, in terms of Article 25 of the aforesaid Grand Ducal Decree, authorize both the employer and the employees to revoke the current collective agreement without notice.

Provisions concerning classification

a. The basic salary is defined by the management in accordance with the following evaluation criteria:

   1. performance and skill
   2. responsibility
   3. conscientiousness and punctuality
   4. length of service and loyalty to the company

Should the need arise, the president of the employees' union can submit related proposals to the management.

b. Classification in groups 1 and 2 is made taking into account the vocational know-how, experience and responsibilities of the employee concerned.

c. A special regulation has been implemented for the remuneration of employees engaged as security guards or night watchmen; this remuneration takes into account the nature and type of work undertaken.

Article 32 – Duration of the agreement and termination

32.1 The current collective agreement entered into force on

32.2 The period of notice agreed by two contracting parties is three months.

32.3 If the agreement is not terminated within the prescribed period it is extended by tacit agreement and can be terminated on...

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